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DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS FOR 1987

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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS

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THOMAS J. KINGFIELD, GREGORY R. DAHLBERG, and LINDA J. MUIR, *Subcommittee Staff*

PART 7

TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS

Printed for the use of the Committee on Appropriations

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS FOR 1987

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DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1987

TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS

TUESDAY, APRIL 22, 1986.

FEDERAL AVIATION ADMINISTRATION

WITNESSES

HON. JERRY LEWIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

LEROY D. BENDER, CITY ENGINEER, CITY OF ONTARIO, CALIFORNIA

Mr. LEHMAN. The Committee will come to order.

In accordance with the rules of the House of Representatives and the Committee on Appropriations, without objection, we will permit television and broadcasting coverage and taping and photographing of today's hearing.

This morning we will receive testimony on the fiscal year 1987 budget request for the Department of Transportation and related agencies.

This is the first of two days of testimony from Members of Congress and interested outside organizations and individuals. We have a large number of witnseses. In order that we may be as fair to the last witness as we are to the first, we would ask each of you to limit your remarks to ten minutes.

Our first witnesses will be Congressman Jerry Lewis and LeRoy D. Bender, City Engineer of the City of Ontario, California.

Mr. LEWIS. Thank you, Mr. Chairman, and colleagues.

I first want to say that I am most appreciative of this Subcommittee of Appropriations being willing to take a few moments of their time to hear about a problem that is a growing problem in Southern California, that is critical not just to our area, but we believe to the transportation systems of the entire country.

Los Angeles International Airport, as you know, has for some years been struggling to develop an effective alternative to the huge volume of traffic that city airports deal with. Ontario International Airport is part of the LAX complex and is within our region. This airport is significantly impacted by the huge population of business/industrial growth.

Those who have flown out of Los Angeles know why many don't want to go back again. Ontario attempts to relieve some of that pressure. You will recall, Mr. Chairman, that in recent years a good deal of federal dollars as well as local and state funds were used to help the transportation difficulty of highway access at the Los Angeles International Airport. The same kind of difficulties are evident at Ontario International Airport and will be a part of a critical development of that portion of the transportation system.

Our view, as Ontario continues to feel the result of the population expansion, to grow itself, that adequate access and egress to the airport is critical. It is fundamental to realize at that point in time with the population growth and expansion there is a huge, huge explosion of property values and costs. Within just the last five years, property values in some very adjacent land transactions have moved from roughly $15,000 an acre to some similar properties selling at $200,000 an acre.

The whole community is convinced of the priority of providing early and adequate access to Ontario National Airport. We can build the proper access highways at a very small piece of the dollar comparatively that we paid in Los Angeles because the development is not complete there yet. So we are attempting at this point in time to raise the terms of priority consideration and the committee's attention to the need for this sort of development at Ontario National. We urge you and your staff to help us evaluate the cost effectiveness of this project. It is very clear that if we are talking about being penny wise and dollar foolish, this is a classic case.

Mr. Chairman, I would like to introduce at this point in time, Mr. LeRoy Bender, Ontario City Engineer, who is not only very familiar with, but responsible for the details of this project. Let me mention that within the dollar figures in our testimony, Mr. Bender has already taken out of his cost figures a very sizable amount of money that already has been spent by the local community, county and city, for development of roads that are part of the system.

My figures include the total dollar amount that you and I began talking about several years ago together. The entire project runs a little more than $71 million. The federal share of this project will end up being approximately $38 million. So, as you can see, both the state, but particularly the local community and local private interests, have demonstrated their willingness to put money where their mouth is. It is of critical interest to the citizens of our region.

Mr. LEHMAN. Before Mr. Bender starts, we will put your full statement in the record.

Mr. LEWIS. I would appreciate the opportunity to revise and extend my remarks.

Mr. LEHMAN. I am just wondering whether you are seeking demonstration project funds? Mr. Bender may want to talk to FAA. I wonder what you are hoping to derive in the way of funding?

Mr. LEWIS. There has been a steering committee made up of representatives of state and local and federal interests there. We are looking for demonstration projects funds, possibly outside the allocation of trust fund moneys. Frankly, we are aware of the reality that demonstration projects on the Senate side are having difficulty. But we would ask this committee to give priority to this project and place it among the demonstration projects that we consider a priority, and together I would hope that you and I can work carefully with the other body.

Mr. **Lehman**. Not so much the other body, but also with the authorization committee in this House because we have problems when we try to legislate these kinds of situations in appropriations bills.

Mr. **Lewis**. Mr. Chairman, it is a part of my formal testimony, but as you know, I have worked very closely with the members on both sides of the aisle in the authorization committee. Their bill, as it moves forward, includes this project and they consider it to be of high priority. Glen Anderson has been very, very helpful. As you know, Mr. Chairman, George Brown, whose district is adjacent to mine, has Ontario within his district, and we are working very closely together on this project.

[The prepared statement of the Hon. Jerry Lewis follows:]

TESTIMONY BEFORE THE SUBCOMMITTEE ON TRANSPORTATION
by JERRY LEWIS

Mr. Chairman and members of this Subcommittee, I appreciate having the opportunity to bring to your attention an important airport problem in my district and to introduce the City of Ontario's engineer LeRoy D. Bender. The Ontario Airport, east of Los Angeles, serves one of the fastest growing urban areas in the country. The airport was designed to transport just over 2 million passengers annually. This year, the airport is expected to receive 4.4 million travelers - twice its intended capacity. As you can imagine, traffic congestion and delays often occur.

The problem is that if the growth rate at the Ontario Airport continues at current levels, by 1988 over 6 million passangers each year will be landing and taking off from Ontario. To try to accomodate this growth, the City of Los Angeles will be spending over $200 million to expand the airport and build new terminals. The Ontario Airport has also become a major base for the Post Office Airmail, United Parcel Service, and for Federal Express. It is estimated that these and other service groups will spend over $100 million to expand and improve their cargo terminals.

As you can imagine, the automobile traffic problem is reaching the critical stage. Recently, a traffic engineer indicated that the airport improvements would generate at least an additional 50,000 cars each day. The first phase of the terminal expansion of the Ontario International Airport is due to be completed in 1988. It is imperative that the construction of highway improvements needed to support the increased traffic not fall far behind.

Since 1981, a Steering Committee composed of state, regional, county and local representatives has been meeting to formulate"a plan for optimum highway access around the airport. In 1982, the Committee formally approved a master plan and a Memorandum of Understanding was signed by the public sector entities such as the Los Angeles Department of Airports, the City of Ontario and the San Bernardino Association of Governments which included financial commitments.

We have been working diligently with the authorizing committee for over three years and this project has widespread bipartisan support. In fact, this project has been included as a demonstration project in the last two highway authorization bills. Although this project has support in the Senate, unfortunately, demonstration projects are not high on the Senate's priority list.

The Steering Committee has worked out a plan which carefully outlines the state, local and federal levels as follows:

	amount	% of total
STATE OF CALIFORNIA	$ 4,250,000	6%
LOCAL	29,100,000	41%
FEDERAL	38,000,000	53%
	$ 71,350,000	100%
Local investment to date:	$ 17,137,000	24%

As you can tell by the local contribution, our community is not just waiting around for Uncle Sam. They have already begun to use the money raised. As you may remember, we just finished spending over $700 million to build the same sort of adequate road facility at the Los Angeles International Airport. With the forsight of this committee, the Ontario access highway system can be completed for 10 cents on the dollar.

However, I hope the delay in authorization does not make the local sponsors of this highway have to be penny wise and pound foolish. For example, the new main entrance to the terminals at Archibald Avenue needs highway attention. If we do not receive assurances of financial assistance, the local sponsors will be forced to construct a hazardous "at-grade" railroad crossing, rather than depress the roadway under the railraod tracks, into the terminal. Unfortunately, the local sponosors have no choice at this time than to proceed with the construction of the hazardous at grade road crossing. I feel this is a big mistake. In later years, they will be forced to remove it and reconstruct it properly. This will cause them to close the main entrance to the airport for approximately eighteen months, and could possibly cost 200% more than if constructed properly today.

I firmly believe that the Ontario Vehicular Access Program must be funded. Without this funding, I know of no alternative but to cut corners now and pay for it 200 times over in the future. Over the past two years since the completion of the Grand Access Road Network Report, the City has made every possible effort to begin the implementaton of the program. To date we have made some progress without federal assistance. As the City proceeds toward the implementation of various segments of the roadway, the remaining portion of the $57 million program continues to escalate.

The Steering Committee feels that only about $ 3.5 million is needed for 1987. It is my sincere hope that we can authorize and appropriate the necessary funding to keep this project moving forward on schedule. I would be personally grateful for any assistance. It has been a pleasure to be here today.

Mr. LEHMAN. Mr. Bender.

Mr. BENDER. Thank you, gentlemen, for the opportunity to be here.

My name is LeRoy Bender. I serve as City Engineer in Ontario. We are about 45 miles east of Los Angeles County and we have the unique distinction of having a major airport within our community. In fact, it is right in the middle of the community. It is in the center of our city. It is owned and operated by the City of Los Angeles, I wish to emphasize, not the City of Ontario. Everything inside the boundaries of that airport is owned and operated exclusively by the City of Los Angeles.

That airport has a capacity of 63,000 square feet of terminal space. On the drawing boards now, the city has commissioned architectural plans, and have arranged for funding to increase the capacity of the terminals to 750,000 square feet in two phases. That is a tenfold increase in the size of the airport.

Everything on the outside of the boundaries of the airport is the City of Ontario's responsibility and specifically I am very involved because it is due to roads. In 1981, there was a study done, and it was indicated by the steering committee—formed by the Southern California Association of Governments, I might add, made up of various levels of government, business leaders from business and industry—and it indicated $71 million worth of highway improvements were needed to properly get to some 50,000 cars a day that could arrive at the airport in a timely manner.

Since that time, the city has done everything we possibly can to face and fund this burden that was placed upon us. We do not control the development of the airport, rather we are faced with funding the roads that lead to the airport. In my written testimony that is before you, I indicate some $57 million worth of highway improvements are needed and in the table I have shown the source of funding from the various sources that will be applied to the project.

The unique—we have to date, built $10 million worth of the roads, locally funded totally. I have pledged all of our local FAUS federal urban monies, our gas tax monies. We have levied fees upon developers, and one project, as an example, that is now under construction we have over six sources of funds involved, all locally. So we have constructed $10 million today, we have $9 million on the drawing boards now. We have to finish the project in 1988 when the new terminal opens.

As I indicated earlier, those terminals will take the passenger traffic from two points, from one million passengers a year to twelve million passengers per year, a very large increase.

On the map here, if you will take a look, the roads in red are the roads that we are requesting federal funds for. The road on the left is called Grove Avenue. It is a narrow, one lane road in each direction. We want to widen it to be able to serve the Orange County traffic that will come up from Orange County.

The road on the east is referred to as Haven Avenue. It has to be widened to serve the San Bernadino-Riverside County area.

All of the blue we have secured local funding for totally. We are asking for no matching money on that. We just completed a major grade separation right at this area for $4.2 million.

[The prepared statement of Mr. LeRoy D. Bender follows.]

8

ONTARIO AIRPORT
VEHICULAR ACCESS PROGRAM

6

By

LeRoy D. Bender, City Engineer
City of Ontario, California

April, 1986

ONTARIO AIRPORT VEHICULAR ACCESS PROGRAM

INTRODUCTION

The City of Los Angeles Department of Airports owns and operates the Ontario Airport, which is of nationwide significance. Ontario is located forty-five miles east of the Greater Los Angeles area. The airport serves the easterly portion of Los Angeles County, large portions of Orange County and all of San Bernardino and Riverside Counties. The airport provides service to all of the nation's major cities. It is located in what is considered the fastest growing portion of the Greater Los Angeles Metropolitan Basin. The area is also considered one of the fastest growing urban areas within the country. This enormous growth has placed considerable demand on both the Ontario Airport terminals and surface roads leading to the airport. The dilemma for the City of Ontario lies with the fact that the Department of Airports of the City of Los Angeles has faced the challenge of this increased growth by planning a major new terminal, whereas the City of Ontario is unable to keep up with the existing and future traffic congestion and roadway access problems.

EXISTING AIRPORT UTILIZATION (PASSENGER AND AIR FREIGHT)

The existing airport terminal is 63,000 square feet in size. Fifteen commercial carriers and two commuter airlines presently utilize this terminal. The design capacity of the existing terminal is 2.1 million annual passengers (M.A.P.). Passenger traffic in 1985 exceeded 3.7 M.A.P. and during 1986 is expected to reach 4.4 M.A.P. This is in excess of twice its intended design capacity. This has resulted in delays, congestion and serious vehicular access problems to and from the airport. Ontario Airport, as measured in terms of M.A.P.s, is the fifth largest airport in the state of California, exceeded only by Los Angeles, San Francisco, San Diego and Oakland. 1986 projections by the City of Los Angeles indicate that the airport will surpass Oakland and, therefore, is expected to become the fourth largest airport in California. The Ontario Airport also serves as an alternate facility for the Greater Los Angeles area during inclement weather at LAX. As a comparison, the 4.4 M.A.P. at the Ontario Airport can be compared with Dulles Airport, which operated at 3.7 M.A.P. during 1985, and National Airport which operated at 7.0 M.A.P. during 1985.

The striking problem at Ontario Airport is a monthly growth rate of twenty-three percent (23%). This has occurred consistently over the last several years and is expected to reach a level of 6.0 M.A.P. by 1988. This is approximately 300% greater than the designed operational capacity of the existing terminal.

The Airport also serves as a major freight terminal hub for the Greater Southern California area. It is the third largest air freight terminal measured by annual tonnage in the State of California. During the period from 1980 to 1984, annual tonnage of air cargo has increased from 4,770 tons to over 130,000 tons. The most recent statistics available indicate that air cargo shipments at Ontario Airport are increasing twenty percent (20%) monthly.

VEHICULAR ACCESS PROBLEMS

Vehicular access to this dynamically growing airport is in a serious state. The City of Ontario, who is responsible for the roadways serving to the airport, has not been able to keep up with the rapid growth in vehicular traffic. There is a critical need to provide proper vehicular access to accommodate the existing airport volumes, as well as those projected in the future. The present primary access point to this airport is a narrow two lane road entering the airport, which crosses a heavily used main line railroad track. This has created traffic jams, frequently blocking the entrance intersection; increased the frequency of train and vehicular collisions; and has severely limited access to the terminals for emergency vehicles. The potential for train and vehicular accidents is constantly increasing. The most recent incident involved a semi-trailer which was hit and carried several hundred yards by a passing freight train.

The problem, in a nutshell, is that the City of Ontario, who is responsible for the roads leading to the airport, faces a serious financial dilemma. Roadways serving this airport are not available to properly serve the existing airport, and certainly not the expected growth. Financial roadway assistance is needed to augment the expanding air transportation needs in the region. The population growth in this region is phenomenal. It is essential that a vehicular transportation network be implemented immediately.

THE PLANNED AIRPORT TERMINAL EXPANSION

The City of Los Angeles, Department of Airports, has projected that the air traffic volumes will reach 6.0 M.A.P. by 1988. This is far in excess of the existing airport terminal capacity of 2.1 M.A.P. In recognition of this demand, the Board of Commissioners of the Department of Airports of the City of Los Angeles have authorized the preparation of architectural drawings for the construction of a new first phase airport terminal consisting of 536,000 square feet. This terminal will accommodate thirty-six narrow bodied aircraft, or a mixture of thirty-two narrow bodied and wide bodied aircraft. Thirty-two passenger gates are planned. Runway 26-R is planned to be extended some 2,200 lineal feet. The airport will, upon completion of its first phase expansion, have two runways of 12,200 lineal feet each. It should be noted that the first phase of the expansion will result in an increase of square footage eight and one-half times greater than the existing terminal capacity. This first phase expansion is being designed to accommodate 9 M.A.P. and is to be opened for business in December of 1988. The second phase expansion of the airport, to 12 M.A.P., is expected to be completed in 1994. Upon total completion, terminal capacity will exceed 750,000 square feet.

In order to finance the first phase expansion, which is estimated at $200 million, the City of Los Angeles will issue revenue bonds. This bond debt is to be paid exclusively by use fees collected from the airlines, largely consisting of landing fees and lease revenue from airport terminal space. The attached schematic delineates the new terminals.

ADDITIONAL PLANNED IMPROVEMENTS ON-SITE AT ONTARIO AIRPORT

In conjunction with the 536,000 square foot terminal expansion at Ontario Airport, major construction programs within the airport are proposed by the City of Los Angeles. These include the construction of new approach aprons and taxiways costing $34 million. The City of Los Angeles has submitted an application to the F.A.A. for Federal Discretionary Funds to finance these aprons and taxiways. This is in addition to the #200 million privately financed terminal expansion. Furthermore, approximately $35 million of third party financed improvements to the airport will be done for the necessary equipment in conjunction with the new terminal. This includes flight guidance systems, loading bridges, baggage carrousels, ground power systems and fuel systems. These equipment expenditures are to be financed by private individuals and leased by the air carriers. United Parcel Service is constructing their west coast hub on approximately thirty-eight (38) acres of land. Federal Express also anticipates an expenditure of $5 million for its new facilities. The Marriott Corporation is preparing to build new facilities for their in-flight kitchen operations. Also, the Department of Airports, itself, is developing new taxiways and high strength concrete approach aprons to yet another new cargo facility. Private investors will develop thirty (30) acres of new cargo facilities consisting of some 225,000 square feet of warehouse; 50,000 square feet of office space; and nine aircraft parking bays to accommodate six wide bodied and three narrow bodied aircraft. This private investment is $15 million.

As can be seen, the private investment for this regional airport facility, of nationwide significance, is expected to exceed $300 million. The $38 million in requested highway funding constitutes approximately thirteen percent (13%) of the total on-site private investment. This leveraging of public/private funds can demonstrate the effectiveness of business and industry working in partnership with government.

VEHICLE ACCESS

Traffic engineering consultants retained by the Department of Airports indicate that the expanded airport will generate in excess of 50,000 vehicles per day. This significantly magnifies and intensifies the roadway access problem to the City of Ontario. Our traffic engineers tell us that during peak commuter hours, this airport will cause serious traffic congestion due to our inadequate roadway system. For reference, the first phase of the terminal expansion to 9 M.A.P. will place Ontario Airport traffic similar with airports such as Minneapolis, Las Vegas, Phoenix, Seattle and Philadelphia. Incidentally, Kennedy Airport presently operates at 40 M.A.P. and Chicago, the largest in the nation, operates at 47 M.A.P

A 50,000 daily vehicular traffic volume will not, of course, occur uniformly over a twenty-four hour period of time. The major portion of this traffic will arrive and depart at the airport's peak hours (5:00-7:00 a.m. and 6:00-8:00 p.m.). When these expected traffic volumes are superimposed upon the existing deficient Ontario roadway system, serious congestion problems will result.

REGIONAL GROUND ACCESS PLANNING

In early 1981, recognizing the significance of this terminal expansion and the serious deficiency in roadway capacities, the Southern California Association of Governments (SCAG) embarked upon an Environmental Impact Report to evaluate the impact on "Ground Access" and these deficiencies. The study was completed in late 1982 and subsequently adopted by the Board of Airport Commissioners of the City of Los Angeles in February of 1983. This two-inch thick document identified the significant need for highway improvements in order to support the airport expansion program.

Many groups participated in the planning of this vehicular access program. These included, but are not limited to, the Southern California Association of Governments (SCAG); the San Bernardino County Association of Governments (SANBAG); the City of Los Angeles Department of Airports (DOA); the Department of Transportation of the State of California (Caltrans); the Building Industry Association (BIA); the County Transportation Commissions of San Bernardino, Riverside and Orange Counties; elected officials and staff of the cities of Ontario, Rancho Cucamonga and Upland; the Chamber of Commerce of the City of Ontario; the Friends of the Airport; numerous area land owners and builders, manufacturing firms and other representatives of commerce and industry. All were extremely concerned with the inadequate roadway systems. A Ground Access Steering Committee was formed to oversee the preparation of the reports and coordinate the ongoing funding efforts.

HIGHWAY COSTS

After extensive studies, the steering committee developed cost estimates necessary to construct the highway network as set forth in the Ground Access E.I.R. prepared by the Southern California Association of Governments. The total remaining cost is $56,959,000. It became imperative that a public/private partnership be developed wherein area wide land owners of business and industry, coupled with local government, must participate within their limits, to fund the projects locally.

Significant local funds have been derived. To date, $10,000,000 in Ground Access roadway improvements have been successfully constructed by local land owners, the City of Ontario, State Public Utility Grant Funds for railroad grade separation crossings, and other miscellaneous local funding programs. In addition, another $8,900,000 is currently on the drawing boards to be funded locally. This effort has exhausted our local financial resources and has placed heavy monetary burden on land owners and the City of Ontario. Yet, we remain proud of our achievements. In terms of hard cost, $18,959,000 has been derived locally for the vehicle Ground Access Program.

As an example of Ontario's dedication to this access effort, the City has pledged all of its local Federal Aid Urban funds received over the past several years, as well as our expected revenue for the next two years. In addition, we have obtained over $900,000 of regional Federal Aid Urban funds and have pledged these towards the access highway improvements. Not unlike other cities within our nation, we also need these funds for widening, maintenance and reconstruction of our existing 350 miles of roadways within Ontario.

The attached map and financial program entitled "Remaining Projects of The Ontario Airport Vehicular Access Program" has been prepared. This defines the various roadway projects and sources of funds to complete the improvements. This Ground Access Program will complete the highway access needs for the new airport terminal facilities as recommended in the Southern California Association of Governments' Environmental Impact Report.

When considering Ground Access roads built to date, roadway rights-of-way donated at no cost by participating land owners, roads constructed by the City of Los Angeles Department of Airports and numerous City and State roadway capital expenditures, the total value of local funding is in excess of $43 million.

$38,000,000 in remaining projects are yet to be funded. This is the basis of the federal funding request.

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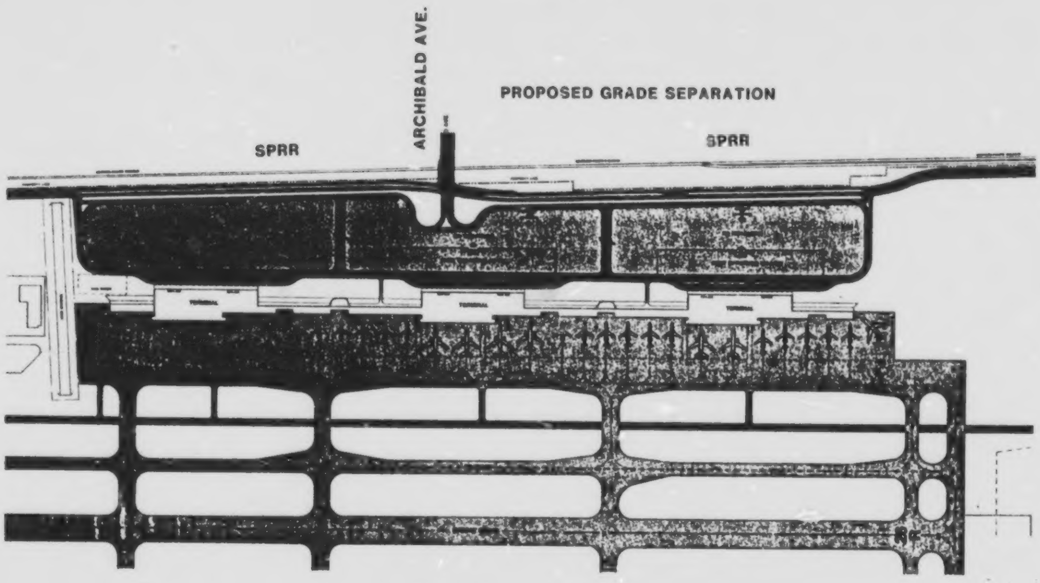
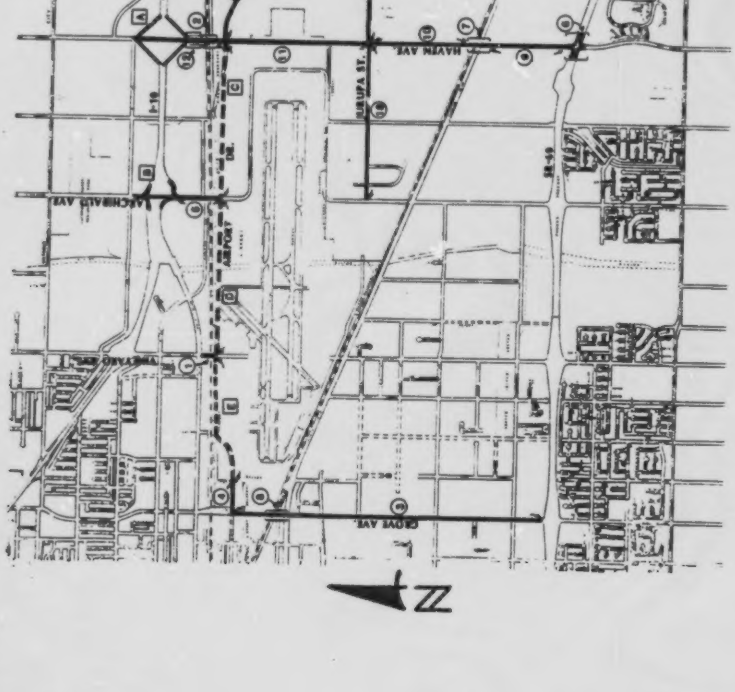


DMJM CITY OF LOS ANGELES
DEPARTMENT OF AIRPORTS
ONTARIO INTERNATIONAL AIRPORT SITE PLAN


I-10
VINEYARD AVE.
ARCHIBALD AVE.
AIRPORT DR.
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COMMERCE
JURUPA ST.
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HAVEN AVE.
MILLIKEN AVE.
GROVE AVE.
SR-60
I-15
A
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REMAINING PROJECTS OF THE ONTARIO AIRPORT VEHICULAR ACCESS PROGRAM

Project No.	Remaining Projects	Total Est. Cost	Other Funds	Federal Ground Access Funds
1	Vineyard Avenue at grade SPRR Crossing	$ 300,000	$ -0-	$ 300,000
2	Haven Avenue grade separation widening So. of I-10 Fwy. @ SPRR	4,250,000	4,250,000	-0-
3	Grove Avenue, Rte. 60 Fwy. to Airport Dr. (State Street)	5,400,000	1,400,000	4,000,000
4	Airport Drive, Grove Avenue to 1,000 feet east of Grove Avenue	200,000	-0-	200,000
5	Archibald Avenue south of I-10 Fwy. to future airport terminals, via a grade separation @ the SPRR tracks	7,000,000	-0-	7,000,000
6	On and Off ramps @ Haven Avenue from Rt. 60 Fwy. and existing bridge widening	5,200,000	-0-	5,200,000
7	Haven Avenue grade separation of UPRR tracks north of Mission Blvd. & transition ramps to Mission Blvd.	7,375,000	-0-	7,375,000
8	Grove Avenue overcrossing @ UPRR tracks & transition ramps to Mission Blvd.	9,000,000	-0-	9,000,000
9	Widen Haven Avenue between Rt. 60 & Mission Blvd.	750,000	-0-	750,000
10	Haven Avenue construction, Mission Blvd. to Jurupa Avenue	775,000	-0-	775,000

REMAINING PROJECTS OF THE ONTARIO AIRPORT VEHICULAR ACCESS PROGRAM (continued)

Project No.	Remaining Projects	Total Est. Cost	Other Funds	Federal Ground Access Funds
11	Haven Avenue, Jurupa Avenue to SPRR grade separation	750,000	500,000	250,000
12	Haven Avenue/SPRR Separation to I-10 Freeway	250,000	-0-	250,000
13	Jurupa Ave. bridge widening at I-15 Fwy.	1,500,000	-0-	1,500,000
14	Jurupa Avenue, I-15 to Milliken Avenue	800,000	700,000	100,000
15	Jurupa Avenue, Milliken Avenue to Commerce Way	400,000	300,000	100,000
16	Commerce Way, Jurupa Avenue intersection to Haven Avenue	700,000	-0-	700,000
17	Jurupa Avenue, Haven Avenue to Commerce Way	500,000	-0-	500,000
18	Jurupa Avenue, Archibald Avenue to Haven Avenue	800,000	800,000	-0-
19	Milliken Avenue, I-10 Fwy. to Mission Blvd.	3,000,000	3,000,000	-0-
20	Airport Drive, Commerce Way to Milliken Avenue	950,000	950,000	-0-
SUBTOTALS:		$49,900,000	$11,900,000	$38,000,000

Project No.	Project Description Funds	Total Est. Cost	Other Funds	Federal Ground Access Funds
A	Haven Avenue @ I-10 Fwy.	$ 3,909,000	$ 3,909,000	$ -0-
B	Archibald Avenue @ I-10 Fwy.			
C	Airport Drive, Archibald Avenue to Haven Avenue	900,000	900,000	-0-
D	Airport Drive, Vineyard Avenue to Archibald Avenue	1,000,000	1,000,000	-0-
E	Airport Drive, Vineyard Avenue to 1,000 L.F. east of Grove Avenue	1,250,000	1,250,000	-0-
SUBTOTALS:		$ 7,059,000	$ 7,059,000	$ -0-
GRAND TOTAL:		$56,959,000	$18,959,000	$38,000,000

NOTES:

1. Estimates do not include contingencies.
2. All estimates are in 1986 dollars.
3. "Other Funds" are inclusive of:
    a. Existing improvement built by the private sector
    b. Future participation by private sector
4. Total shown in "Other Funds" column does not include certain costs of rights-of-way which are funded by the private sector.
5. Updated as of April, 1986, to reflect current projects under construction by others, and revised cost estimates.

Mr. **Lehman**. You have done your homework, and I would also like the record to show that our former colleague, Jim Lloyd, made a dramatic presentation today.

Mr. **Lloyd**. Thank you, Mr. Chairman.

Mr. **Lehman**. Is there anything you would like to say?

Mr. **Lloyd**. Yes sir. I think one of the major points is that I have dealt with this project along with Congressman Brown, certainly with Congressman Lewis, and in it we clearly have had matching funds. The other item is we have had explosive growth. We are at 4.4 million passengers as of the present moment and I would remind you that we are now parallel—in the number of passengers that Ontario is handling—we are parallel with Dulles. We will reach and overtake National. I don't know if we can handle those kinds of figures, and we are doing this in this space of essentially very short years. We are talking about 1992, 1994.

As a result, we need this and I think the point that Jerry made earlier, regarding if we do it now, we can do it a lot cheaper than what we are going to do it for in 1995, or the year 2000, when we have to redo the whole thing if we haven't done it properly now. That is the major point I would like to make.

Mr. **Lehman**. You are asking for $3.5 million for fiscal year 1987. I understand your need and within the parameters, I would like to help you all I can, if we can work it out with the authorizing committee and work it out with the budgetary constraints.

Mr. Coughlin.

Mr. **Coughlin**. Thank you very much.

I want to say the City of Ontario is very fortunate to be represented by two very capable current members, and one capable former member. They are worthy projects, you are fortunate to have the kind of representation you have.

Mr. **Lloyd**. Thank you.

Mr. **Lehman**. Mr. Purcell.

Mr. **Purcell**. No questions. Glad to have you here. Nice presentation.

Mr. **Lewis**. Thank you, Members and Chairman, we appreciate your serious consideration. We know the priority difficulties.

I might mention, as we close, Mr. Chairman, that presently at one of these major roadways that enters this airport of George Brown's and mine, we are about to the point where we have to construct an at grade crossing that would be expanded and just relieve the traffic where railroad tracks go through. There is no question that with assurances of funding, that that ought to be built in a different fashion under the railroads for safety purposes. But those decisions will be made in the months just ahead and that is the sort of problem that is part of forced response to explosive growth is the reason that we come and take your time and bother you today. We appreciate your consideration and look forward to working with you and your staff.

Mr. **Lehman**. Thank you very much.

TUESDAY, APRIL 22, 1986.

COAST GUARD

WITNESSES

HON. WALTER B. JONES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

HON. NORMAN F. LENT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

HON. GERRY E. STUDDS, A REPRESENTATIVE IN CONGRESS FROM THE COMMONWEALTH OF MASSACHUSETTS

HON. ROBERT W. DAVIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. LEHMAN. Honorable Walter Jones and his delegation.

Mr. JONES. Thank you, Mr. Chairman.

Distinguished members of the Transportation Subcommittee of the House Committee on Appropriations, today I welcome the opportunity to testify on behalf of a service whose existence is vital to our nation. I am speaking of the United States Coast Guard, an organization that exists as an example of efficiency and dedication. It has for many years managed to operate within a budget just large enough to enable it to perform its many and varied responsibilities.

It is for that very reason that I tell you it is essential to enact a fiscal year 1987 appropriation for the Coast Guard. If not, the indiscriminate cuts inflicted by the second round of sequestration mandated by Gramm-Rudman-Hollings will render this valuable institution incapable of performing the missions which we in Congress have required.

As will be addressed by my good friend, Mr. Studds, Chairman of the Subcommittee on Coast Guard and Navigation, there are several areas where the administration's budget proposal falls short of providing sufficient funding. These shortfalls must be remedied and the approach taken in our authorization is a responsible one.

In closing, I would like to bring to your attention the ever increasing duties being assigned to the Coast Guard. We are all mindful of such duties as search and rescue, vessel inspection, fisheries enforcement, and protection of our nation's coastline.

Of late, we have clamored for increases in drug enforcement, illegal immigrant interdiction, and assumption of responsibility for the military defense zone.

Allow me to bring to your attention some instances when, once again, the Coast Guard has been or will be called upon:

The rescue of flood victims in Virginia and West Virginia this past winter.

The over $2 million mission performed as a result of the shuttle tragedy.

The attack last week by a Libyan patrol boat on a Coast Guard telecommunications facility in the Mediterranean.

And finally, the upcoming Statue of Liberty celebration with an unprecedented massing of vessels of all types in the New York Harbor.

Never—I repeat never—has the Coast Guard answered our call with anything but a "can do" response. I ask your consideration in answering their call with fair, adequate and equitable funding.

Thank you for your invitation to speak before you on this service, which I hold so near to my heart.

Mr. **Lehman**. Thank you, Mr. Chairman. You certainly made a strong appeal for your number one concern, the Coast Guard.

Mr. Studds.

Mr. **Studds**. Thank you, Mr. Chairman.

As always, we appreciate the opportunity to appear before the subcommittee to share with you our views about the President's proposed budget for the U.S. Coast Guard.

The President proposed that $1.862 billion be appropriated for Coast Guard Operating Expenses this year. We support that number. Funding at this level would restore the Coast Guard to full operating strength, and allow it to make efficient use of the personnel and equipment it has on hand.

The President proposes that only $77 million be appropriated to the Acquisition, Construction and Improvements account in 1987. Although we agree that the primary emphasis in the Coast Guard budget should be on operating expenses rather than on the purchase of additional equipment, we think the $77 million figure is too low. Instead, we have included in H.R. 4208, the proposed Coast Guard Authorization Act of 1986, a level of $300 million for procurement in 1987.

This number would allow the Coast Guard to meet its most pressing needs in fiscal year 1987 without borrowing from programs for which appropriations were made available in 1986. Specifically, funding to this level would allow the Coast Guard to purchase some additional patrol boats and C-130s, while also starting the process of replacing its aging fleet of medium range helicopters.

Our proposed authorization also calls for an increase from $21 million to $35 million in the Coast Guard's small, but effective, research and development program.

Despite the difference between our proposal and that of the Administration, our recommendation would still reflect a reduction of $187 million from what Congress appropriated for the Coast Guard in 1986, even taking into account the effects of the Gramm-Rudman-Hollings law.

I think it is obvious to all of us that the budget process is not working as we wish it would. Ideally, Congress would quietly and rationally analyze the relative value of various proposals for spending federal funds; decisions would then be made on a rational basis about national priorities, and resources would be allocated accordingly. The simple test for any particular proposed federal expenditure would be whether it were in the national interest.

Obviously, it is not working that way. For no reason except the accidents of the budget process, the Coast Guard has been forced to compete directly against mass transit, railroads and the FAA for funding. Thus a fair administration request for the Coast Guard is no victory unless it is matched by a fair request for transportation in general. Your subcommittee deserves credit for its imagination and creativity in obtaining funds for transportation, in general, and for the Coast Guard in particular, given the limitations of this process.

A major result of the annual transportation funding squeeze has been the increased reliance on the budget of the Department of Defense as a supplemental source of the Coast Guard funds. Last year, a total of $490 million, almost one-fifth of the Coast Guard budget, was derived from the Department of Defense. It appears inevitable that we will have to look to the defense budget once again this year if we are to come up with enough money even to reflect the President's request for the Coast Guard. Appropriations for AC&I at the level sought by our committee could only occur, we think you will agree, if money is made available through the defense account.

As necessary as this legardemain has been, and will be, it is not without risk. Whenever we turn to the defense budget, we, you, and the Coast Guard lose a measure of control over the process. The result may produce adequate, or nearly adequate overall funding, but the allocation of the money will not necessarily be the most efficient or effective for the country.

Over the past four years, for example, Congress has approved almost $700 million more for Coast Guard procurement than has been requested by the administration, while the amount for operating expenses has generally been below the requested amount. It should be obvious that providing the Coast Guard with new boats and aircraft, while denying it the money to recruit, train, and compensate those required to operate these planes and cutters may help boat builders and airplane manufacturers, but it does nothing to help the Coast Guard.

Another problem of relying on the DOD budget, of course, is the uncertainty that is gradually built into the process. In 1986, the basic Coast Guard budget was not settled until December, three months into the fiscal year. The ability of the Coast Guard to survive the year without significant cutbacks in equipment and personnel is dependent, even now, on final passage of a supplemental appropriations bill the President has vowed to veto.

The Coast Guard's continued reliance on the defense budget is risky, as well, because there is no guarantee that what worked last year and this year will also work the next time around. Congress may not always be able to find sufficient funds within the defense account to accommodate Coast Guard needs. Obviously, if the Coast Guard becomes accustomed to finding 20 percent or more of its budget from defense, it will be in very deep trouble the first year this particular ploy comes up empty.

We congratulate your subcommittee for its help in standing up to the Senate during last year's battle of the Coast Guard budget, and for supporting a $35.5 million supplemental appropriation for operating expenses this spring. We urge you this year to focus primary attention on the Coast Guard's need for adequate operating expenses.

We also urge you to work in cooperation with the Defense Appropriations Subcommittee to see that any Coast Guard requirements that you are unable to meet will nevertheless be met with their help.

Finally, we hope that you will work with us to see if we can develop a means of eliminating the need for the Coast Guard to rely on funding from the defense account in the years beyond 1987.

We want to thank you once again for allowing us the opportunity to appear, and we look forward to working with you closely in the months ahead.

Mr. **LEHMAN**. Thank you, Gerry.

I can't remember when we had a bill on the floor on appropriations for transportation that we didn't have a Studds amendment on the Coast Guard. I expect one this year.

Mr. **STUDDS**. Maybe it won't be necessary.

Mr. **LEHMAN**. Mr. Davis.

Mr. **DAVIS**. I just want to appear here today to show strong bipartisan support for this particular legislation. I know of really no other bill that receives the strong bipartisan support demonstrated on numerous occasions on the floor of the House, and particularly to thank the Subcommittee for their work. As Chairman Jones and Gerry Studds have indicated, this Subcommittee has been willing to go to bat time and time again to save the necessary dollars for the Coast Guard. It is, as Chairman Jones mentioned, it seems like almost monthly we find some new challenge that the Coast Guard has to meet, which takes money from their operating budget, and so we just urge you again to try to give us the funds that are necessary to continue operating the Coast Guard.

Thank you.

Mr. **LEHMAN**. I just want to say that I do concur with you in the activities of the Coast Guard. I would suggest that you might want, as soon as it is available, to read the testimony of the Commandant when he testified before us. We had a kind of a problem that he really wasn't able to tell us in any detail what the impact of Gramm-Rudman would be on the Coast Guard and he could not tell us, or would not tell us, if any additional funds were needed in the form of a supplemental in '86 or any other additional funds.

We tried to pin him down on that. He said, "we will serve", which is fine, but it doesn't spell out the dollar amounts that you are concerned with. We will certainly try to do all we can within the budgetary constraints for support of the Coast Guard. I understand your concern about the relationship of DOD to the Coast Guard.

Mr. **JONES**. With all due respect to the Commandant of the Coast Guard, obviously we must bear in mind he also takes orders from somebody above as to what he can say and can't say.

Mr. **LEHMAN**. We understand that.

Mr. **JONES**. I just wanted that for the record.

Mr. **LEHMAN**. Trust in the lord and he will provide. Mr. Pursell.

Mr. **PURSELL**. Thank you, Mr. Chairman.

Some of the members had some experiences with the overseas aspects of the U.S. Coast Guard and I just wonder if the subcommittee has any indepth recent review of the overseas missions outside the continental United States?

Mr. **STUDDS**. Were you thinking primarily of their drug interdiction efforts in the Caribbean?

Mr. **PURSELL**. No; I'm referring to various offices throughout the world and their missions and objectives, as well as their officer ratio to enlisted men.

Congressman Davis was instrumental in helping the Great Lakes area last year, but I think the European offices really need to be looked at. In fact, I offered an amendment last year to cut funding of the London office but withdrew it. I thought maybe the authorizing committee might——

Mr. Studds. I am sure—are you suggesting there may be some Coast Guard personnel in diplomatic posts around the world that are something less than essential?

Mr. Pursell. I would like to know what their missions are and their personnel assignments.

Mr. Studds. We haven't looked at it from a perspective recently of how many Coast Guard personnel there are attached to embassies and international organizations around the world. We have looked at their navigation facilities, one of which was in the news very much; drug interdictions programs and their programs in Haiti and in Grenada and other places where they have been called upon without any increase in the budget, as you know, for additional responsibilities.

We will take a look if you have any reason to suspect we have Coast Guard women and men around the world in positions of relative comfort without serving essential national security needs. I assume there are some attached to various international organizations.

Mr. Davis. I think that is a reasonable request. I think Carl has been concerned about that. I know he has and I must confess, I haven't delved into what we are doing in various areas overseas, but it is something——.

Mr. Studds. Yes. I doubt we will find anything of the magnitude that Gramm-Rudman may bring about.

Mr. Lehman. I would like to associate myself with the remarks of the gentleman from Michigan. We do have a rather large Coast Guard establishment, independent but located in the embassy, for example, in London, that does apparently have some duties that they perform in the European theater. I am looking at it from the standpoint of priorities; how much commitment should we have in that part of the world?

Mr. Studds. We will certainly take a look at that.

Mr. Lehman. We will put all of your statements in the record in their entirety. Thank you very much.

Mr. Studds. Thank you.

Mr. Jones. Thank you very much.

[The prepared statements of the Hon. Walter B. Jones, the Hon. Norman F. Lent, the Hon. Gerry E. Studds, and the Hon. Robert W. Davis follow:]

STATEMENT OF THE HONORABLE WALTER B. JONES
BEFORE THE TRANSPORTATION SUBCOMMITTEE
OF THE HOUSE COMMITTEE ON APPROPRIATIONS

APRIL 22, 1986

DISTINGUISHED MEMBERS OF THE TRANSPORTATION SUBCOMMITTEE OF THE HOUSE COMMITTEE ON APPROPRIATIONS - TODAY I WELCOME THE OPPORTUNITY TO TESTIFY ON BEHALF OF A SERVICE WHOSE EXISTENCE IS VITAL TO OUR NATION. I AM SPEAKING OF THE UNITED STATES COAST GUARD, AN ORGANIZATION THAT EXISTS AS AN EXAMPLE OF EFFICIENCY AND DEDICATION. IT HAS FOR MANY YEARS MANAGED TO OPERATE WITHIN A BUDGET JUST LARGE ENOUGH TO ENABLE IT TO PERFORM ITS MANY AND VARIED RESPONSIBILITIES.

IT IS FOR THAT VERY REASON THAT I TELL YOU IT IS ESSENTIAL TO ENACT A FISCAL 1987 APPROPRIATION FOR THE COAST GUARD. IF NOT, THE INDISCRIMINATE CUTS INFLICTED BY THE SECOND ROUND OF SEQUESTRATION MANDATED BY GRAMM-RUDMAN-HOLLINGS WILL RENDER THIS VALUABLE INSTITUTION INCAPABLE OF PERFORMING THE MISSIONS WHICH WE IN CONGRESS HAVE REQUIRED.

AS WILL BE ADDRESSED BY MY GOOD FRIEND MR. STUDDS, CHAIRMAN OF THE SUBCOMMITTEE ON COAST GUARD AND NAVIGATION, THERE ARE SEVERAL AREAS WHERE THE ADMINISTRATION'S BUDGET PROPOSAL FALLS SHORT OF PROVIDING SUFFICIENT FUNDING. THESE SHORTFALLS MUST BE REMEDIED AND THE APPROACH TAKEN IN OUR AUTHORIZATION IS A RESPONSIBLE ONE.

IN CLOSING, I WOULD LIKE TO BRING TO YOUR ATTENTION THE EVER INCREASING DUTIES BEING ASSIGNED TO THE COAST GUARD. WE ARE ALL MINDFUL OF DUTIES SUCH AS: SEARCH AND RESCUE, VESSEL INSPECTION, FISHERIES ENFORCEMENT, AND PROTECTION OF OUR NATION'S COASTLINE. OF LATE, WE HAVE CLAMORED FOR INCREASES IN: DRUG ENFORCEMENT, ILLEGAL IMMIGRANT INTERDICTION, AND ASSUMPTION OF RESPONSIBILITY FOR THE MILITARY DEFENSE ZONE. ALLOW ME TO BRING TO YOUR ATTENTION SOME INSTANCES WHEN, ONCE AGAIN, THE COAST GUARD HAS BEEN, OR WILL BE CALLED UPON: THE RESCUE OF FLOOD VICTIMS IN VIRGINIA AND WEST VIRGINIA THIS PAST WINTER, THE OVER $2 MILLION DOLLAR MISSION PERFORMED AS A RESULT OF THE SHUTTLE TRAGEDY, THE ATTACK LAST WEEK BY A LIBYAN PATROL BOAT ON A COAST GUARD TELECOMMUNICATION FACILITY IN THE MEDITERRANEAN AND FINALLY, THE UPCOMING STATUE OF LIBERTY CELEBRATION WITH AN UNPRECEDENTED MASSING OF VESSELS OF ALL TYPES IN THE NEW YORK HARBOR. NEVER, I REPEAT NEVER, HAS THE COAST GUARD ANSWERED OUR CALL WITH ANYTHING BUT A "CAN DO" RESPONSE. I ASK YOUR CONSIDERATION IN ANSWERING THEIR CALL WITH FAIR, ADEQUATE, AND EQUITABLE FUNDING.

THANK YOU FOR YOUR INVITATION TO SPEAK BEFORE YOU ON THIS SERVICE WHICH I HOLD SO NEAR TO MY HEART.

STATEMENT OF U.S. REPRESENTATIVES WALTER JONES, NORMAN LENT, GERRY STUDDS, ROBERT DAVIS

BEFORE THE SUBCOMMITTEE ON TRANSPORTATION
HOUSE COMMITTEE ON APPROPRIATIONS
APRIL 22, 1986

As always, we appreciate the opportunity to appear before the Subcommittee to share with you our views about the President's proposed budget for the U.S. Coast Guard.

The President proposes that $1.862 billion be appropriated for Coast Guard operating expenses this year. We support that number. Funding at this level would restore the Coast Guard to full operating strength, and allow it to make efficient use of the personnel and equipment it has on hand.

The President proposes that only $77 million be appropriated to the Acquisition, Construction and Improvements Account in 1987. Although we agree that the primary emphasis in the Coast Guard budget should be on operating expenses rather than on the purchase of additional equipment, we think the $77 million figure is too low. Instead, we have included in H.R. 4208, the proposed Coast Guard Authorization Act of 1986, a level of $300 million for procurement in 1987.

This number would allow the Coast Guard to meet its most pressing needs in 1987 without borrowing from programs for which appropriations were made available in 1986. Specifically, funding at this level would allow the Coast Guard to purchase some additional patrol boats and C-130's, while also starting the process of replacing its aging fleet of medium range helicopters.

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Despite the differences between our proposal and that of the Administration, our recommendation would still reflect a reduction of $187 million from what Congress appropriated for the Coast Guard in 1986, even taking into account the effects of the Gramm-Rudman-Hollings law.

I think it is obvious to all of us that the budget process is not working as we wish it would. Ideally, Congress would quietly and rationally analyze the relative value of various proposals for spending federal funds; decisions would then be made on a rational basis about national priorities, and resources would be allocated accordingly. The simple test for any particular proposed federal expenditure would be whether it was in the national interest.

Obviously, it's not working that way. For no reason except the accidents of the budget process, the Coast Guard has been forced to compete directly against mass transit, railroads and the FAA for funding. Thus, a fair Administration request for the Coast Guard is no victory, unless it is matched by a fair request for transportation in general. Your Subcommittee deserves credit for its imagination and creativity in obtaining funds for transportation, in general, and for the Coast Guard in particular, given the limitations of this process.

A major result of the annual transportation funding squeeze has been the increased reliance on the budget of the Department

OF DEFENSE AS A SUPPLEMENTAL SOURCE OF COAST GUARD FUNDS. LAST YEAR, A TOTAL OF $490 MILLION, ALMOST ONE-FIFTH OF THE COAST GUARD BUDGET, WAS DERIVED FROM THE DEPARTMENT OF DEFENSE. IT APPEARS INEVITABLE THAT WE WILL HAVE TO LOOK TO THE DEFENSE BUDGET ONCE AGAIN THIS YEAR IF WE ARE TO COME UP WITH ENOUGH MONEY EVEN TO REFLECT THE PRESIDENT'S REQUEST FOR THE COAST GUARD. APPROPRIATIONS FOR AC&I AT THE LEVEL SOUGHT BY OUR COMMITTEE COULD ONLY OCCUR, WE THINK YOU WILL AGREE, IF MONEY IS MADE AVAILABLE THROUGH THE DEFENSE ACCOUNT.

AS NECESSARY AS THIS LEGERDEMAIN HAS BEEN, AND WILL BE, IT IS NOT WITHOUT RISK. WHENEVER WE TURN TO THE DEFENSE BUDGET, WE, YOU, AND THE COAST GUARD LOSE A MEASURE OF CONTROL OVER THE PROCESS. THE RESULT MAY PRODUCE ADEQUATE, OR NEARLY ADEQUATE, OVERALL FUNDING, BUT THE ALLOCATION OF THAT MONEY WILL NOT NECESSARILY BE THE MOST EFFICIENT OR EFFECTIVE FOR THE COUNTRY. OVER THE PAST FOUR YEARS, FOR EXAMPLE, CONGRESS HAS APPROVED ALMOST $700 MILLION MORE FOR COAST GUARD PROCUREMENT THAN HAS BEEN REQUESTED BY THE ADMINISTRATION; WHILE THE AMOUNT FOR OPERATING EXPENSES HAS GENERALLY BEEN BELOW THE REQUESTED AMOUNT. IT SHOULD BE OBVIOUS THAT PROVIDING THE COAST GUARD WITH NEW BOATS AND AIRCRAFT, WHILE DENYING IT THE MONEY TO RECRUIT, TRAIN, AND COMPENSATE THOSE REQUIRED TO OPERATE THESE PLANES AND CUTTERS MAY HELP BOAT BUILDERS AND AIRPLANE MANUFACTURERS, BUT IT DOES NOTHING TO HELP THE COAST GUARD.

ANOTHER PROBLEM OF RELYING ON THE DOD BUDGET, OF COURSE, IS THE UNCERTAINTY THAT IS GRADUALLY BUILT INTO THE PROCESS. IN 1986, THE BASIC COAST GUARD BUDGET WAS NOT SETTLED UNTIL DECEMBER, THREE MONTHS INTO THE FISCAL YEAR. THE ABILITY OF THE

Coast Guard to survive the year without significant cutbacks in equipment and personnel is dependent, even now, on final passage of a supplemental appropriations bill the President has vowed to veto.

The Coast Guard's continued reliance on the Defense budget is risky, as well, because there is no guarantee that what worked last year and this year will also work the next time around. Congress may not always be able to find sufficient funds within the Defense account to accomodate Coast Guard needs. Obviously, if the Coast Guard becomes accustomed to finding 20% or more of its budget from Defense, it will be in very deep trouble the first year this particular ploy comes up empty.

We congratulate your Subcommittee for its help in standing up to the Senate during last year's battle of the Coast Guard budget, and for supporting a $35.5 million supplemental appropriation for operating expenses this spring. We urge you this year to focus primary attention on the Coast Guard's need for adequate operating expenses. We also urge you to work in cooperation with the Defense Appropriations Subcommittee to see that any Coast Guard requirements that you are unable to meet will nevertheless be met with their help. Finally, we hope that you will work with us to see if we can develop a means of eliminating the need for the Coast Guard to rely on funding from the Defense account in the years beyond 1987.

We want to thank you once again for allowing us the opportunity to appear, and we look forward to working with you closely in the months ahead.

TUESDAY, APRIL 22, 1986.

INTERSTATE COMMERCE COMMISSION

WITNESS

SIDNEY ALTERMAN, PRESIDENT OF ALTERMAN TRANSPORT LINES, INC. OF MIAMI, FLORIDA

Mr. **LEHMAN**. We are particularly pleased to have a long time and very good friend from Miami, Mr. Alterman, who is not only a wonderful trucking executive but a very fine citizen, a very philanthropic man, who has made a contribution not only economically but to the social and other needs of our community. He has worked with the deprived, the Chamber of Commerce, and has served as chairman of the Hospital Villa Maria. He has paid his dues to our community.

Mr. **ALTERMAN**. Thank you.

Good morning everyone. Chairman Lehman, and Members of Subcommittee, I am Sidney Alterman. I am the President of Alterman Transport Lines, and my company, which is based in Opa Locka, Florida, provides less than truckload and truckload services of general and perishable commodities. We service all 48 states in the continental United States, and in 1985 Alterman Transport had $52 million in annual revenue.

I am the past Commissioner of the Florida Trucking Association and I am a current member of its board of directors; and a member of the executive committee of the American Trucking Associations, and today I am representing the American Trucking Associations. The American Trucking Association represents every type of motor carrier through its affiliated trucking associations, located in every state and the District of Columbia, as well as their individual motor carrier members.

The American Trucking Association sincerely appreciates this opportunity to comment on the fiscal year 1987 budget of the Interstate Commerce Commission and those portions of the U.S. Department of Transportation budget which pertain to motor carriers. My formal statement is divided into two sections. The first section discusses the Interstate Commerce Commission budget, while the second addresses the Department of Transportation budget. Mr. Chairman, in the interest of time, I would like to present a summary statement and ask that my longer statement become a part of the record.

Mr. **LEHMAN**. Without objection.

Mr. **ALTERMAN**. The American Trucking Association believes that any further reductions in the Commission's budget will jeopardize the agency's ability to carry out its regulatory functions delegated by Congress in the Interstate Commerce Act, as revised by the Motor Carrier Act of 1980. The functions of prime importance to the national transportation system are as follows:

1. That the regulation of rates to ensure that shippers obtain a reasonable price, as well as the motor carrier obtaining a fair return on his investment;
2. That the enforcement and licensing requirements for motor carriers exist, to ensure the financial fitness and ability of operators to provide service;

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3. The evaluation of the safety fitness of motor carriers, including the monitoring and enforcement of the insurance requirements of the law to protect the interests of the public and owners of the cargo; and

4. The collection of motor carrier data to monitor the impact of regulatory and economic changes in the industry.

Since the Motor Carrier Act of 1980, the Interstate Commerce Commission's budget has decreased from $79.6 million to $48.3 million in FY 86. Moreover, the number of full time permanent staff employees has been reduced from 2,000 in 1980 2,777 on April 1, 1986. Through these measures, Congress has reduced the Commission's funding and manpower to a level barely able to meet its needs to effectively perform its responsibilities. The Commission is now at a critical point. Any further reductions will seriously jeopardize its ability to carry out its mandate of promoting a safe, fair and lawful motor carrier public service.

As to the Department of Transportation, Mr. Chairman, as you know, its major task is to handle the federal highway programs, and monitor other motor carrier activities under its jurisdiction. Of particular importance is the Department of Transportation's role in regulation, productivity and safety. The American Trucking Association recommends that the Department of Transportation receive appropriate funding in the following three areas affecting motor carriers directly.

First, the American Trucking Association believes that the funding for the Department of Transportation Motor Carrier Safety Assistance program should be increased from $17 million to $50 million for fiscal year 1987. Increased MCSAP funding is critical to the hiring and training of qualified enforcement personnel to perform roadside and other necessary safety inspections.

Second, the American Trucking Association urges this Subcommittee to advise the Department of Transportation to dedicate more funds to the research and development of motor carriage, especially in studying the use of longer combination vehicles.

In addition, the American Trucking Association urges your Subcommittee to direct the Department of Transportation to become more active in promoting improved productivity for the motor carrier industry. For similar reasons, the American Trucking Association supports the creation of a motor carrier administration within the Department of Transportation. The consolidation of several existing departments within the Department of Transportation into one motor carrier administration will provide a coherent, streamlined structure that will save the government money, enhance efficiency, and provide the industry with representation equal to those needed by other transportation modes.

And finally, the American Trucking Association is concerned that appropriations for highways are presently limited to $12.42 billion, which is substantially less than the level of funding which could be supported by current revenues into the highway trust fund. In fact, a recent CBO study found that the trust fund could support appropriations of $14.1 billion in fiscal year 1987.

The trucking industry has paid substantially increased highway user taxes since 1982. The purpose, Mr. Chairman, in our willingness to accept these taxes was to provide monies for the needed construction and reconstruction of the highway system. The American Trucking Association strongly urges that the Congress appropriate the funds already paid by the trucking industry for building and rebuilding a federal highway system adequate for trucks and for the motoring public.

Mr. Chairman, I know my time is running short, so let me conclude by saying:

The American Trucking Association has consistently urged Congress to provide the Interstate Commerce Commission with adequate appropriations to enable it to fulfill its mandated responsibilities in an efficient, reasonable and expeditious manner. The Commission's primary functions involve the regulation of rates, data collection and reporting, the monitoring of carrier fitness, especially the insurance problem, and the enforcement of regulations intended to protect motor carriers and the public from unsafe, unlawful and unfair practices.

The American Trucking Association urges your Subcommittee and Congress to appropriate the full $48.3 million to the Interstate Commerce Commission for fiscal year 1987. These funds are essential to ensure that the agency has an adequate staff and resources to carry out these important functions.

Further, the American Trucking Association respectfully suggests that you appropriate the full $50 million for MCSAP in the 1987 Department of Transportation budget to provide adequate funds for its research and development of motor carriage.

Finally, the American Trucking Association endorses the creation of the motor carrier administration within Department of Transportation.

Thank you, Mr. Chairman, and Members of this Subcommittee for your time and consideration of the American Trucking Associations' position. Now, I would be pleased to answer any questions which you might have.

[The prepared statement of Mr. Sidney Alterman follows:]

Before the
UNITED STATES HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON TRANSPORTATION APPROPRIATIONS

APRIL 22, 1986
WASHINGTON, DC

Statement of the
AMERICAN TRUCKING ASSOCIATIONS, INC.

On
THE FISCAL YEAR 1987 BUDGET OF THE INTERSTATE COMMERCE COMMISSION AND FISCAL YEAR 1987 BUDGET OF THE DEPARTMENT OF TRANSPORTATION

Sidney Alterman
President
Alterman Transport Lines, Inc.

BEFORE THE
UNITED STATES HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON TRANSPORTATION APPROPRIATIONS

HEARINGS ON THE
FISCAL YEAR 1987 BUDGET
OF THE INTERSTATE COMMERCE COMMISSION
AND
FISCAL YEAR 1987 BUDGET
OF THE DEPARTMENT OF TRANSPORTATION

STATEMENT OF THE
AMERICAN TRUCKING ASSOCIATIONS

I. INTRODUCTORY REMARKS

Chairman Lehman and members of the Subcommittee, I am Sidney Alterman, President of Alterman Transport Lines, Inc. My company, which is based in Miami, Florida (Opa-Locka), provides less-than-truckload (LTL) and truckload services of general commodities and perishables. We service all 48 states in the continental U.S., and in 1985 Alterman Transport had $52 million in annual revenue.

I am also a past President of the Florida Trucking Association; a current member of its Board of Directors; and a member of the Executive Committee of the American Trucking Associations. However, today I am here representing the American Trucking Associations (ATA) before this Subcommittee. As you probably know, Mr. Chairman, ATA is the national trade association of the trucking industry. Through its affiliated trucking associations located in every state and the District of Columbia, as well as through its individual motor carrier members, ATA represents every type of class of motor carrier in the country, both for-hire and private.

Mr. Chairman, the trucking industry employs 7.4 million Americans and generates annual revenues in excess of $200 billion. Each year 5 million trucks log more than 138 billion miles with an overall safety record that is almost twice as good as that for automobiles. These trucks, operated by more than 260,000 American firms, of which 34,000 are regulated carriers, account for 77% of all freight transportation revenues in this country.

The American trucking industry provides an essential transportation service to the largest economy in the world. The essentiality of our industry is illustrated by the fact that access to trucking is considered by business to be the second most important factor in deciding where to locate a new plant, ranking behind cost of property. It is clear that practical business decisions are made in the confidence that truck transportation will be available when needed.

ATA sincerely appreciates this opportunity to comment on the Fiscal Year 1987 budget of the Interstate Commerce Commission (ICC) and those portions of the U.S. Department of Transportation (DOT) budget which pertain to motor carriers. This statement is divided into two sections. The first section discusses the ICC budget; and, the second addresses the DOT budget.

II. SUMMARY OF POSITION

ATA believes that any further reductions in the Commission's budget will jeopardize the agency's ability to carry out its regulatory functions delegated by Congress in the Interstate Commerce Act as revised by the Motor Carrier Act of 1980. The functions of primary importance to the national transportation system are as follows:

1. The regulation of rates to ensure that shippers obtain reasonable prices so that motor carriers obtain a fair return on their investment;
2. The enforcement of the licensing requirements for motor carriers to ensure the financial fitness and ability of operators;

3. The evaluation of the safety fitness of motor carriers, including the monitoring and enforcement of the insurance requirements of the law to protect the interests of the public and owners of the cargo; and,

4. The collecting and disseminating of motor carrier data to monitor the impact of regulatory and economic changes on the industry.

Since the Motor Carrier Act of 1980, the Commission's budget has decreased from $79.06 million to $48.3 million in fiscal year 1986. Moreover, the number of full-time permanent staff employees has been reduced from 2,000 in 1980 to 777 on April 1, 1986. Through these measures, Congress has reduced the Commission's funding and manpower to a level barely able to meet its needs to efficiently and effectively perform its responsibilities. However, the Commission is now at a critical point. Any further reductions will seriously jeopardize its ability to carry out its mandate of promoting vigorous, but safe, fair and lawful motor carrier competition.

Moreover, continued budget reductions will harm providers and consumers of transportation services who rely on the regulatory scheme. ATA believes that the Congress can best achieve the efficient and effective transportation system it intended under the 1980 Act by appropriating $48.3 million for the fiscal year 1987 ICC budget, and by designating that the funds be used foremost to staff those ICC departments which perform the primary regulatory responsibilities.

ATA also generally supports DOT's budget. We specifically endorse Secretary Dole's recommendation to this Subcommittee to appropriate $50 million for the DOT Motor Carrier Safety Assistance Program (MCSAP) for 1987. That program is vital to improving highway safety. In addition, ATA supports the appropriation and expenditure for highway purposes at least all of the revenue accruing to the highway trust fund each year. Funds adequate to perform the necessary research and development on motor carriage should also be appropriated and spent. ATA urges DOT to take a more active role in promoting improved productivity for the trucking industry. Furthermore, ATA strongly endorses the establishment of a Motor Carrier Administration within DOT to provide a more streamlined, effective and equitable administration structure.

III. THE INTERSTATE COMMERCE COMMISSION'S BUDGET

In the Motor Carrier Act of 1980, Congress liberalized the requirements for obtaining motor carrier operating authority. Rate regulation was maintained, but varying rate pricing and options were promoted through specific changes. Increased motor carrier safety was sought through increasing the insurance levels and focusing on the fitness of applicants. Since Congress relaxed the regulatory constraints on entry and pricing, the need has increased for financial and operating data on motor carriers for the ICC and Congress to monitor the effects of the economy, as well as regulations on the industry.

ATA believes the ICC must continue to perform important motor carrier functions particularly in the areas of insurance monitoring, rate regulation, enforcement of safety, fitness requirements, and data collection. It needs adequate funding and staff to perform effectively these statutory responsibilities. ATA therefore requests that this subcommittee appropriate $48.3 million for the Commission's 1987 fiscal year budget of which approximately $24 million should be dedicated specifically for the administration of motor carrier programs. $24 million is based on 1986 useage and the allocation schedule printed in the President's FY '87 budget. ATA strenuously opposes any effort to Sunset the ICC or its regulation of motor carriage either through zero appropriations or an inadequate budget for fiscal year 1987. The issue of motor carrier regulation must be addressed on the merits, rather than through the budgeting process.

A. Data Collection on Motor Carriers

The Commission's Bureau of Accounts performs the essential function of collecting, evaluating, and disseminating motor carrier data. These data permit the ICC to fulfill its obligation to submit to Congress an Annual Report on the state of the motor carrier industry. These data are useful to the Commission in the preparation of timely studies on the industry condition and problems. For example: the insurance crisis; general freight service to small communities; and, fuel price fluctuations.

The ICC required these data to analyze the need for and effectivness of its regulation of the industry. The elimination of this necessary information will result in future regulation of the motor carrier industry by an agency with no way of determining the financial state or health of that industry or the effects of the agency's actions upon truckers.

These data are required by other federal agencies to monitor the performance and structure of the trucking industry. For example, the DOT used ICC data to produce reports on the effects of deregulation, the causes of motor carrier bankruptcies, and its National Transportation Statistics Annual Report. The Department of Commerce similarly uses ICC data for its Statistical Abstract of the United States, and its U.S. Industrial Outlook. In addition, the General Accounting Office

(GAO) has repeatedly sought to use current and comprehensive ICC data for investigations such as the studies on industry pricing practices, and the present transborder trucking problems. In fact, the GAO has emphasized the necessity of, and benefits from current financial and operating data on Commission regulated motor carriers. Recently the GAO has indicated their reports to Congress have been incomplete or inconclusive because they lack the requisite, current data.

The present lack of complete and comprehensive data on motor carriers is due to prior Commission rulemakings in 1980 and 1982 which eliminated the filing requirements for large segments of the motor carrier industry, especially smaller- sized carriers. This situation will worsen if the Commission cuts down or eliminates motor carrier accounting and reporting rules as they propose in Docket No. 38904, Elimination of Accounting and Reporting Requirements for Motor Carriers of Property. On this matter, the trucking industry submitted comments to the ICC on October 8th, 1985 urging the retention of the Uniform System of Accounts (USOA) and the requirement that motor carriers file reports containing the data necessary for industry and bureau matters. This coalition pleading relied heavily on a study which Arthur Andersen and Company performed for the trucking industry to evaluate its data needs.

Based on this study, the industry coalition developed a revised annual report Form M, which is based on the USOA and reduces from 57 to 10 pages the current form while retaining the necessary industry data. In urging the ICC to adopt our proposed form, we stressed that Congress, the ICC, other federal agencies, the states, insurance companies and the trucking industry have a need for timely, accurate, financial operating data. ATA has offered a streamlined report form as a reasonable compromise between the current requirements and the ICC proposals to either eliminate the reports altogether or substitute an insufficient 15 line single page report.

The industry coalition has the support of the National Association of Regulatory Utility Commissioners (NARUC), the National Small Shipment Traffic Conference (NASSTRAC), and the International Brotherhood of Teamsters. In addition, the Department of Agriculture also has submitted comments in favor of retaining the current reporting system.

In addition to retaining the USOA and motor carrier data reporting, it is the position of ATA that the Commision must perform the requisite data base management functions to assure timely and complete filings. This embraces a number of tasks: first, the Commission cease its practice of granting motor carriers exemptions from reporting requirements. At present, 444 of 2,946 Class I and II carriers have been granted such exemptions, thus, the financial information on 15% of the carriers with revenues in excess of $1 million annually is lacking. Second, the Commission should regularly perform the follow up with Class III motor carriers to determine which have grown to Class I or II status and, as such, should be filing reports with them. Many of the newly authorized carriers, which began as Class III status firms, have generated average revenues over the $1 million threshold. This non-measurement of the growth index and the lack of follow up with smaller- size firms, stems directly from an earlier 1980 ICC decision to totally relieve these firms from annual filing. The third and final task is that the Commission should regularly follow up with motor carriers to assure that reports are timely filed and contain all required information to provide a complete and accurate financial and operating profile of the firm.

Therefore, Mr. Chairman, to ensure the efficient and effective collection of this vital data, Congress should not only appropriate an adequate Fiscal Year 1987 Budget but also direct the ICC to continue its essential data collection practices.

B. Motor Carrier Insurance

The motor carrier industry, as well as many other industries, are currently facing an insurance crisis of an unprecedented nature. The trucking industry is now confronted with insurance rate increases of 200 to 1,000%. There are an inadequate number of insurance companies willing or able to underwrite commercial liability coverage, especially for environmental restoration. With respect to this crisis, the motor carrier industry is in a unique situation. Specifically, the Motor Carrier Act of 1980 requires truckers to maintain minimum levels of liability insurance to cover bodily injury, physical damage and environmental restoration. The range of coverage which applies to all carriers, including those who haul hazardous materials, is from $750,000 to $5 million.

The concepts of bodily injury and physical damage are historically well established and clear. The term "environmental restoration" is not. Before 1980, the restoration of a spill site was considered by the insurance industry as a physical damage claim. Section 30 of the 1980 Act changed this by requiring seperate coverage for damage to the environment, although the Act does not define either time limits or liability of restoration.

This "environmental restoration" phrase has become a lightning rod for the insurance industry. Court interpretations and subsequent awards, largely in non-motor areas, have created an unwillingness on behalf of the insurance companies to provide insurance which is mandated by law.

ATA supports these federal and state insurance requirements for the protection of the public. In fact, ATA was instrumental in obtaining the enactment of the current statutory minimum insurance levels, outlined above. However, in light of the current crisis there is clearly a need for federal and state action to alleviate the problem and find workable solutions which will continue to protect the public and the industry in a reasonable fashion. ATA believes that the "environmental restoration" clause should be stricken from the Act. The objective is to return to the business relationship that existed between motor carriers and underwriters prior to 1980. It is not intended that the motor carrier abandon or disclaim any responsibility for environmental damages caused as the result of the accidental discharge of goods being transported, or the fuel used to propel the vehicle; therefore, the desired statutory amendment will assure the public that "spill clean-up" will be completed under the "physical damage" provisions of the mandated coverages. Additionally, personal injuries resulting from a spill will continue to be covered under the "personal injury" aspects of the mandated coverages.

In August, 1985 ATA filed with the ICC a petition, docketed as Ex Parte No. 178, asking the agency to conduct an investigation into the causes, effects, and possible solutions to the insurance crisis with respect to motor carriers. Extensive comments were filed in December, 1985 with the ICC by ATA, carriers, shippers, and the insurance industry. In February, ATA filed a further request asking the ICC to hold a conference. This meeting would allow an on the record discussion of the problems, some alternatives and possible conclusions. Our request was supported by other motor carrier groups and the major shippers' associations.

One of the issues that ATA requested the ICC to consider in the Ex Parte No. 178 proceeding was the adoption of stringent, but realistic standards for self-insurance by motor carriers. Self-insurance would enable financially sound carriers to cut costs while still providing protection for the public. Moreover, self insurance by these carriers would have the added benefit of increasing the reserves and capacity of the insurance industry. This in turn would provide protection to those carriers unable to participate in the self-insurance program.

On Wednesday April 16, 1986 the ICC approved the application submitted by May Trucking Company, Docket No. MC-128527, to be a self-insurer. We applaud this measure and trust this Subcommittee and the ICC will view this as a fully transferable benchmark for other financially sound trucking companies seeking self-insurance.

With insurance now approaching 8 - 10 percent of many carriers' expenses, the temptation to run without insurance is significant. Running without insurance also results in a tremendous competitive advantage. The ICC has the primary responsibility for seeing that carriers comply with the federal requirements. The agency has undertaken over 3,000 administrative enforcement actions to ensure compliance with the insurance requirements in the last two years. To continue to fulfill this important statutory duty, the ICC must have adequate funding and personnel. It must be a "fact certain" that carriers running without insurance will be placed out of business until insurance is obtained at the required levels.

C. Rate Regulation

The Commission's rate regulation function is performed by its Bureau of Tariffs and the Office of Proceedings.

The 1980 Act continues to require the ICC to oversee motor carrier rates, both individual carrier rates and those set collectively. Congress maintained, with certain limitations, the statutory provisions allowing motor carriers to engage in the collective making of rates and commodity classifications pursuant to agreements approved and monitored by the Commission. Congress also expressly guaranteed motor carriers the right to independently effectuate their rates and encouraged carriers to provide innovative new rate and service options.

The combination of limited and monitored collective ratemaking, with greater pricing flexibility and freer entry, has been a pro-competitive factor for the motor carrier industry and shipping interests.

An important element of this transportation policy involves effective ICC overview of carrier rates. For example, for the ICC to determine the appropriateness of a general increase in carrier rate structures it must have the resources, including not only personnel but also substantial and reliable data to evaluate carrier financial and operating conditions and the need for major rate adjustments. Similarly, the ICC financial data must be available and analyzed to ensure that individual rates are neither unreasonable nor destructive. This process protects the interests of both providers and consumers of the transportation services.

This collective ability of motor carriers to discuss, arrange, and disseminate transportation rates and services is a pro-competitive feature of the new regulatory process which also assists the Commission in meeting its statutory obligations. To effectively protect the public interest the Commission must have an adequate staff to evaluate and monitor the pricing actions of carriers, both collective and independent. This important ICC function would be virtually negated by inadequate budgetary levels to the detriment of the public interest, shippers, and the transportation industry alike.

D. Enforcement of Safety and Insurance Fitness

ATA has a longstanding commitment to motor carrier safety. The Commission's Office of Compliance and Consumer Assistance performs the all-essential functions of ensuring the fitness, including safety fitness of motor carriers, compliance with the insurance requirements, and enforcement of other ICC regulations designed to protect the shippers and public interest. This responsibility has increased with the significant growth in the number of motor carrier operations and types of service. In fact, the Commission's current enforcement capability is stretched beyond its limit.

The Commission has the duty to ensure that prior to granting operating authority, the applicant is fit and able to perform the service. With questionable ICC enforcement capability, some individuals will operate without certification to the detriment of the public interest and safety.

This enforcement process is even more critical in the wake of the insurance crisis confronting the trucking industry. Motor carriers are presently confronted with an inadequate number of insurance companies willing to underwrite coverage and skyrocketing premium increases ranging from 200 to 1000 percent. As noted eariler, these circumstances act as incentives for some carriers to unlawfully discontinue or reduce their insurance coverage. In fact, between October 1, 1985 to August 1, 1985 the ICC revoked 3,393 motor carrier operating authorities for the failure to maintain the requisite insurance coverage.

E. Enforcement of Household Goods Consumer Protection Rules

Although household goods carriers and their local agent moving companies have many things in common with the rest of the trucking industry, they have some unique operating characteristics that Congress recognized in 1980 when it enacted separate regulatory reform legislation for movers. That uniqueness occurs because movers are the only segment of the trucking industry that deals primarily with individual consumers.

With the Household Goods Transportation Act of 1980 (HGTA), Congress found that the interest of individual shipper consumers can best be protected by reducing unnecessary regulation and allowing interstate movers maximum flexibility in serving the needs of shippers; however, it should be emphasized that the reason the freedom and flexibility in today's marketplace for interstate movers has been so successful is that Congress wisely left in place an underlying Federal statutory framework that has served as a stabilizing consumer protection influence. Although Congress in the HGTA did direct the ICC to eliminate unnecessary regulation, at the same time it strengthened the remedies for violation of the regulatory structure that was to be left in place for essential consumer protection purposes.

The federal, regional and local branches of the Office of Compliance and Consumer Protection (OCCA) oversee and enforce that remaining body of essential regulation. They play an important role in assuring not only that interstate movers comply with the current operational regulations, but that individual consumers are provided accurate and complete information on carrier performance and shipper rights and responsibilities. The budget and personnel cuts experienced by the ICC in recent years have made it increasingly difficult for OCCA to fulfill those regulatory duties.

In today's open marketplace where interstate authority for moving operations is relatively easy to obtain, there is a continuing need for a viable ICC consumer protection function. Most carriers perform in accordance with the current regulations, but there will always be those few who do not conform. If the ICC's OCCA enforcement budget allocation is cut back too stringently, consumers relying on federal protection will be exposed unnecessarily to the unlawful practices of a few movers who might take advantage of the vacuum created thereby.

II. THE DEPARTMENT OF TRANSPORTATION'S BUDGET

As you know, Mr. Chairman, the DOT, in addition to its major task of handling the federal highway programs, has jurisdiction over certain motor carrier activities, particularly in the areas of safety, regulation and productivity needs. ATA recommends that DOT receive appropriate funding in three areas affecting motor carriers directly.

First, ATA believes that the funding for the DOT Motor Carrier Safety Assistance Program should be increased from $17 million to $50 million for fiscal year 1987. Increased MCSAP funding is critical to the hiring and training of qualified enforcement personnel to perform roadside and other necessary safety inspections.

Second, ATA urges this Subcommittee to advise the DOT to dedicate more funds to be spent on the research and development on motor carriage, especially in studying the use of longer combination vehicles (LCVs).

In addition, ATA urges the Subcommittee to direct DOT to become more active in promoting improved productivity for the motor carrier industry. For similar reasons, ATA supports the creation of a Motor Carrier Administration within DOT. The consolidation of several existing departments within DOT into one Motor Carrier Administration will provide a coherent, streamlined structure that will save the government money, enhance efficiency, and provide the industry with representation equal to that enjoyed by the other transportation modes.

Finally, ATA is concerned that appropriations for highways are limited to $12.42 billion, which is substantially less than the level of funding which could be supported by current revenues into the Highway Trust Fund. A recent CBO study found that the Trust Fund could support appropriations of $14.1 billion in FY 1987. The trucking industry has paid substantially increased highway user taxes since 1982 in order to fund needed construction and reconstruction of the highway system. ATA strongly urges that the Congress appropriate the funds already paid by the trucking industry for building and rebuilding a federal highway system adequate for trucks and for the motoring public.

A. Safety

A safe motor carrier operation is good business practice. It provides for efficiency and productivity, reduces insurance claims and premiums, saves fuel, and consequently fosters a positive image of the trucking industry.

We also view truck safety as an important public safety issue. The automobile and the highway network in this country are essential to the American way of life. The public and the American economy depend on truck transportation to provide the goods, services, and materials that move America. The motoring public and the trucking industry must share the highway system and all highway users must work together to assure highway safety.

Trucks travel 140 billion miles each year servicing the American economy and the American public. The nature of truck operations, the interactions of trucks with the motoring public and the exposure of truck traffic to adverse weather conditions, varying traffic situations, and all types of highway design make safety an important industry issue.

Despite the variety of its operating conditions, the trucking industry has always had an outstanding safety record. There are thousands of professional truck drivers who have records of more than 1 million accident-free miles. There are numerous trucking companies with excellent safety programs and safety records.

Unfortunately, there are also drivers and companies with records that are not very good. We are especially concerned about safety on the highways, and its possible deterioration since 1980:

- Truck accidents reported to the Bureau of Motor Carrier Safety increased 18% in 1984;
- Trucks placed out of service by federal and state inspectors for serious defects increased from 23% in 1984 to 41% at a national truck inspection in September, 1985;
- The percentage of motor carriers with unsatisfactory safety ratings is highest among those that have most recently received operating authority from the Interstate Commerce Commission, and the number of these new entrants is steadily increasing;
- Unsatisfactory safety ratings are more prevalent among motor carriers with smaller profit margins; and,
- There is generally a trend in the trucking industry toward reduced profits. Prior to 1978, the median profit margin was approximately 3%. Since 1978 the industry has not been able to achieve profits greater than 2.2%.

There appears to be a relationship between smaller motor carrier profit margins and unsafe motor carrier operations; yet, DOT insists that the economic environment in which the trucking industry operates today has had no effect on safety.

On the other hand, a top DOT official recently told Congress that "with stronger capital investment levels has come a historic improvement in railroad safety. The number of train accidents has been cut by two thirds since adoption of the Staggers Act."

Obviously, there is a contradiction in the DOT position. There is a strong tie between economics and safety in all modes of transportation, including the truck industry.

These indicators portend the possibility of further increases in truck accidents in 1986 and future years, unless strong, positive actions are taken quickly by industry and government.

B. Research

Government and government-sponsored research does not devote much attention to trucks, and the bulk of government work is aimed solely at highways, bridges, pavement, and so forth. In 1986, the U.S. DOT proposed only slightly more than $1 million for truck research. By comparison, Federal Rail Administration funding is set at $15 million, and the Federal Aviation Administration research funding is $196 million.

Mr. Chairman, I believe it is fair to say that it is time that the trucking industry, relevant agencies of government, and the Congress work together to define a rational and targeted research agenda. Three out of every four dollars spent on freight transportation, or more than $208 billion, are spent on trucking. An investment that size must require more research and problem-solving funding than it is currently getting. ATA respectuflly suggests at least a five-fold increase in this vital research.

C. Productivity

The Surface Transportation Assistance Act of 1982 promised improved productivity in exchange for substantially increased taxes. Productivity improvements took the form of 80,000 pounds nationwide, twin 28-foot trailers along with 48'/102" trailers on all Interstates plus a designated highway system with adequate access, and grandfather trailer limits. Unfortunately, while we have 80,000 pounds nationwide, we are still waiting for the designated system and access promised.

The DOT has taken the position that it can only advise the states. We disagree. DOT should take a more aggressive stance in insuring we get access. For example, DOT has yet to file one law suit against a state or locality although it recognizes that some states have sharply limited access or have been ingenious in denying adequate access. In one state, carriers and shippers were forced to take the state to court over an obvious attempt to deny 48'/102" trailers. In my state of Florida, Alterman just received permission to operate twins to Key West. Yet the limits were so restrictive that such an operation is inefficient and unprofitable.

The trucking industry is asking DOT to enforce the law. ATA is asking DOT to give us what was promised in exchange for higher taxes. We have been waiting 3 years while paying the taxes. How much longer should we wait?

D. The Need for a Motor Carrier Administration

ATA would also emphasize the need to establish a Motor Carrier Administration within the DOT. ATA continues its strong support of H.R. 3427, which would create such a Motor Carrier Administration. The creation of this DOT Administration would serve several important functions, for example:

The centralization of DOT's motor carrier activities, largely in the area of safety, will save the government money and also promote efficiency. Currently, the safety programs are dispersed throughout the DOT. The Bureau of Motor Carrier Safety is in the Federal Highway Administration, the Heavy Truck Research Group is a part of the National Highway Traffic Safety Administration, and the Materials Transportation Bureau is in the Research and Special Programs Administration. The suggested consolidation of these departments will provide a coherent, streamlined structure to save the government money and enhance regulatory efficiency.

In sum, Mr. Chairman, the trucking industry is the only mode without a modal administration. Yet, trucking hauls more freight, travels more miles, employs more people, and pays more taxes than any other mode. Equity demands that our industry receive equal representation through the establishment of a Motor Carrier Administration.

CONCLUSION

ATA has consistently urged Congress to provide the ICC with adequate appropriations to enable it to fulfill its mandated responsibilities in an efficient, reasonable and expeditious manner. The Commission's primary functions involve the regulation of rates, data collection and reporting, the monitoring of carrier fitness, and the enforcement of regulations intended to protect motor carriers and the public from unsafe, unlawful and unfair practices.

ATA urges this Subcommittee and Congress to appropriate the full $48.3 million to the ICC for Fiscal Year 1987. These funds are essential to ensure that the agency has an adequate staff and resources to carry out these essential functions.

Further, ATA respectfully suggests that your Subcommittee appropriate the full $50 million for MCSAP in 1987 DOT budget to provide adequate funds for its research and development on motor carriage.

Finally, it endorses the creation of a Motor Carrier Administration within DOT.

Thank you Mr. Chairman, and other members of this Subcommittee for your time and consideration of ATA's position on the ICC and DOT FY 1987 budgets. I would be pleased to answer any questions which you might have.

Mr. LEHMAN. You certainly made a wonderful presentation on behalf of the trucking industry, all its needs and all its concerns. This Committee at one time did have some legislation to move the Bureau of Motor Carrier Safety from where it is to the NHTSA but for technical reasons it was not done. We were not able to include it in the appropriations bill, but we will continue to work for the kinds of support systems that you need for the trucking industry, and I want to thank you for the trouble that you have taken to come up here. Keep in touch.

Mr. Pursell.

Mr. PURSELL. Thank you, Mr. Chairman.

Thank you for your excellent testimony. In light of our big deficit and your very successful private business, maybe you might have some suggestions on how we might solve our deficit.

Mr. ALTERMAN. It has taken us 50 years, starting back in 1935 just to not be wiped out. The public is the one that we must protect and we have the finest transportation system in the whole world, our network, our railroads, our motor carriers, and everything we do here in America. What you are wearing, what you are doing has been brought to you by truck. We have to have and provide that number one place in American. We can't wipe it out and say move it over somewhere. We must propose for it and I hope you gentlemen will realize it. You certainly do a wonderful job with all you have before you.

Mr. LEHMAN. Mr. Wolf.

Mr. WOLF. No questions, Mr. Chairman.

Mr. LEHMAN. Thank you.

TUESDAY, APRIL 22, 1986.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WITNESS

LANNY J. DAVIS, COUNSEL FOR ALTA TECHNOLOGY, INC.

Mr. LEHMAN. Let me go back to Mr. Davis, then we will come back to you, Mayor.

Mr. DAVIS. Thank you, Mr. Chairman.

I am Lanny J. Davis, a partner in the Washington law firm of Patton, Boggs and Blow, and counsel to Alta Technology, Inc., a manufacturer of state of the art farecard equipment located in Stamford, Connecticut. We are pleased to have this opportunity today to express our concerns about the manner in which the Washington Metropolitan Area Transit Authority is proposing to spend federal funds for the procurement of enhanced farecard and other fare collection eqiupment for the metrorail system. We believe this Subcommittee has a vital interest in ensuring that to the maximum extent possible, appropriated federal funds are spent through prudent, economical, and competitive mass transit procurements.

As you know, the Washington Metropolitan Area Transit Authority farecard procurement issue was recently raised at the Subcommittee hearings two weeks ago with WMATA General Manager

Carmen Turner and Urban Mass Transportation Administrator, Ralph Stanley. Alta Technology wishes to provide for the record some background on the procurement and explain why we believe competition is in the best interests of the Washington Metropolitan Transit Authority, UMTA, and the public generally.

Over the past two years and at significant corporate expense—over $400,000 to date—Alta has designed, manufactured, and tested a prototype farecard vending machine that meets Washington Metropolitan Transit Authority's requirements for 1) retrofit and enhancement of the existing machines used in the metrorail system, and 2) installation in new and proposed stations throughout the system. That machine is in my office ready for someone from the Washington Metropolitan Transit Authority to take a look at it and perhaps test the proposition as to whether it can be compatible with the current equipment in the metro system.

Notwithstanding this substantial commitment of time and money, to date Alta has been denied the opportunity to compete for Washington Metropolitan Transit Authority's proposed procurement of automatic fare collection equipment. Members of Washington Metropolitan Transit Authority's staff have twice recommended a sole source, noncompetitive award of this contract to the incumbent vendor, Cubic Wester Data, even though its current machines demonstrably have failed to meet Washington Metropolitan Transit Authority performance specifications for a decade. Cubic's proposed enhanced equipment is reported to break down five times more often than Washington Metropolitan Transit Authority's standards permit, and both the existing and new Cubic machines fall far short of the documented performance record of Alta's machines in other subway systems.

In our view, a noncompetitive award would be unlawful, both under Washington Metropolitan Transit Authority's own procurement regulations and those of UMTA, which require that contracts be made on a competitive basis to the maximum practicable extent. Moreover, a sole source award would be inconsistent with the recently enacted Competition in Contracting Act, which the Congress passed in 1984 out of concern about increasing cases of favoritism, conflict of interest, and fraud in sole source and other noncompetitive federal procurements.

We are sensitive to the current funding problems for the metrorail system and fully appreciate the extent to which current budget realities may preclude the funding of needed improvements in the system.

The rest of my statement I will ask to be submitted for the record and I would like to add one or two other comments of my own.

We are not here asking for any special favors, or for this Committee to get involved in the operational responsibilities of the Washington Metropolitan Transit Authority staff. We are here as the representative of a company only insofar as we ask this Committee to support the principle of competition in public procurement. That principle and that policy is the only issue that we present to this Committee. We do not ask Washington Metropolitan Transit Authority or anyone else to either favor Alta Technology for the contract award or in fact commit to any contract award.

The only thing this company has ever asked is to be treated fairly and to be permitted to compete. All of the arguments against that proposition must address Congress' clear policies in favor of competition in public procurements.

We appreciate the opportunity to testify and would be happy to respond to any questions.

[The prepared statement of Mr. Lanny Davis follows:]

STATEMENT

OF

ALTA TECHNOLOGY, INC.

Stamford, Connecticut

Before the

Subcommittee on Transportation

Committee on Appropriations

U.S. House of Representatives

April 22, 1986

Mr. Chairman and Members of the Subcommittee,

I am Lanny J. Davis, a partner in the Washington law firm of Patton, Boggs & Blow and counsel to Alta Technology, Inc., a manufacturer of state-of-the-art farecard equipment located in Stamford, Connecticut. We are pleased to have this opportunity today to express our concerns about the manner in which the Washington Metropolitan Area Transit Authority (WMATA) is proposing to spend federal funds for the procurement of enhanced Farecard and other fare collection equipment for the Metrorail system. We believe this Subcommittee has a vital interest in ensuring that, to the maximum extent possible, appropriated federal funds are spent through prudent, economical, and competitive mass transit procurements.

As you know, the WMATA Farecard procurement issue was recently raised at Subcommittee hearings with WMATA General Manager Carmen Turner and Urban Mass Transportation Administrator Ralph Stanley. Alta Technology wishes to provide for the record some background on the procurement and explain why we believe competition is in the best interests of WMATA, UMTA, and the public generally.

Summary

Over the past two years and at significant corporate expense--over $400,000 to date--Alta has designed, manufactured, and tested a prototype Farecard vending machine that meets WMATA's requirements for (1) retrofit and enhancement of the existing machines used in the Metrorail system and (2) installation in new and proposed stations throughout the system. Notwithstanding this substantial commitment of time and money, to date Alta has been denied the opportunity to compete for WMATA's proposed procurement of automatic fare collection equipment. Members of WMATA's staff have twice recommended a sole-source, noncompetitive award of this contract to the incumbent vendor, Cubic Western Data ("Cubic"), even though its current machines demonstrably have failed to meet WMATA performance specifications for a decade, Cubic's proposed enhanced equipment is reported to break down five times more often than WMATA's standards permit, and both the existing and new Cubic machines fall far short of the documented performance record of Alta's machines in other subway systems.

In our view, a noncompetitive award would be unlawful, both under WMATA's own procurement regulations and those of UMTA, which require that contracts be made on a competitive basis to the maximum practicable extent. Moreover, a sole-source award would be inconsistent with the recently enacted Competition in Contracting Act (Pub. Law No. 98-369), which the Congress passed in 1984 out of concern about increasing cases of favoritism, conflict of interest, and fraud in sole-source and other noncompetitive federal procurements. Fundamental federal procurement norms require that every procurement must be conducted in a fair, equitable, and judicious manner.

We are sensitive to the current funding problems for the Metrorail system and fully appreciate the extent to which current budget realities may preclude the funding of needed improvements in the system. We are not asking for the award and financing of a contract--just the opportunity to compete. Given this Subcommittee's jurisdictional interests and the strong public policy favoring the competitive award of federally funded procurements, Alta hopes the Members of this Subcommittee will encourage the WMATA management and Board of Directors to make every effort to purchase new and enhanced Farecard equipment through competitive procurements.

So that you can put into perspective the unwillingness of WMATA to date to open up the procurement to competition, I will describe our two-year effort to develop the prototype, Alta's qualifications for the proposed contract, and the salient legal authorities and procurement principles that should govern the award of the contract.

Development Efforts

Since January, 1984, Alta has been engaged in the development, design, and manufacture of a prototype Farecard machine to retrofit the current automatic fare collection system machinery currently in use in the Metrorail system. Alta initiated this effort with the knowledge and encouragement of the WMATA operations and engineering staff, which was anxious to acquire more reliable equipment. At some point in 1983, the current vendor had submitted an unsolicited proposal for modification of the existing equipment for $27 million (approximately $51,000 per machine). Whether it was because WMATA considered

Cubic's price excessive or had grown increasingly concerned about the failure of its existing machines to meet performance standards, the WMATA staff were looking to potential new vendors that might provide cheaper, more reliable equipment.

Alta representatives met with WMATA staff on January 4, 1984 to discuss their interest in and ideas for competition to meet WMATA's Farecard requirements. WMATA provided the necessary parameters for issuance of store-value Farecard tickets compatible with the Metrorail system and advised Alta of the design and performance requirements WMATA was seeking. Alta committed to build a prototype at its own expense in return for a commitment from WMATA that it would provide technical assistance, would permit Alta ultimately to compete to meet WMATA's Farecard requirements, and would resist using Alta merely as a foil to obtain a lower contract price from Cubic. With WMATA's assurances, Alta proceeded to design, develop, and manufacture the prototype.

In May, 1984, Alta presented a feasibility study and technical proposal to WMATA, in which Alta indicated it could meet WMATA's reliability goals and could provide the equipment at $40,000 per unit (if at least 300 units were ordered) within nine months of the project's commencement. At that point, WMATA officials expressed considerable interest in Alta's technical proposal, discussed the possibility of WMATA funding production of a prototype, and encouraged Alta to proceed to build the prototype even if funding were not made available. The WMATA officials also indicated they would be recommending competition for the rehabilitation procurement.

By June, 1984 the WMATA staff had prepared a procurement proposal to present to WMATA's Operations Committee. Among other things, the staff presentation indicated a desire to proceed with a competitive procurement based on technical and cost proposals in response to a request for proposals (RFP) due to be released in August. Under the proposed schedule in the presentation, the various WMATA committees would approve the procurement process in June through August, technical and cost proposals would be due in mid-October, WMATA evaluation would occur during October and November, the contractor would be selected and necessary approvals would be completed by January, 1985, and the notice to proceed would be issued later that month. The program schedule from 1985 to 1990 projected a base year contract for 131 units at $40,000 per unit, with three succeeding option years, for a total of roughly $23.4 million.

Unfortunately, there were delays in getting the appropriate officials to focus on the WMATA staff proposal. Nonetheless, Alta continued its design and development efforts. Through December, 1984, Alta engineers made several visits to Washington and were in constant contact with WMATA operations and engineering staff. On December 27, 1984, the President of Alta wrote WMATA's Deputy Manager summarizing Alta's efforts and confirming that the Alta equipment would employ the patron-familiar Farecard interface, would be fully compatible with

WMATA's current system, would increase greatly equipment reliability, and would reduce downtime and maintenance costs. Alta followed up on January 3, 1985, by submitting the functional specifications for its prototype.

On February 7, 1985, an Alta representative was scheduled to meet with WMATA officials to discuss the status of Alta's prototype machine. On that same day, however, the WMATA Operations Committee met and approved in principle sole-source negotiations with Cubic for the entire rehabilitation program. At no time in the prior few months, or even days, had any official at WMATA ever indicated that WMATA was even leaning toward a sole-source procurement, let alone that it was prepared to enter into sole-source negotiations with Cubic.

After learning about the proposed decision, we met with WMATA's General Counsel and expressed our profound concerns about the manner in which WMATA was proceeding, particularly in view of WMATA's own procurement regulations limiting sole-source awards and its active encouragement of Alta to develop a competitive alternative. For months, we were given no information about the proposed procurement. Our repeated requests for information about the status of the proposed sole-source negotiations were ignored. (By the way, WMATA is not subject to the federal Freedom of Information Act or the public information disclosure laws of Virginia, Maryland, or the District of Columbia, and apparently has no formal mechanism to facilitate the release of information to the public.)

In August, 1985, we informed WMATA that we were prepared to field test our prototype. In September, WMATA staff visited our manufacturing facility in Stamford, Connecticut and observed the prototype in operation. They recommended several minor modifications, which we made. Shortly thereafter, we notified staff that we were ready to ship the machine to Washington to demonstrate it in the field. We never received a response.

In January, 1986, we wrote again, expressing our concern about the continuing delay in giving us an opportunity to field test our prototype. As far as we had been able to determine, WMATA was refusing to give us the permission we sought out of an alleged concern that it had no right to allow us to connect the machine to the system. Cubic was alleging that Alta could not have access to the communications characteristics needed to "talk to" Metrorail's Enhanced Data Acquisition and Display System (EDADS) under a technical rights agreement between WMATA and Cubic. By letter, we advised WMATA that there was no merit to Cubic's assertion. Two years after we had gotten a commitment on competition from WMATA in return for building a prototype at our own expense, we still had not been given a chance to compete, let alone to demonstrate our machine.

We finally began to worry that, again, sole-source action might be taken without our knowledge or input. Sure enough, late in March, 1986, we learned that once again a decision had been made in executive session to approve in principle proceeding with sole-source negotiations with Cubic. Since the issue had not yet been addressed by the full Board of Directors, however, we began contacting Board members, members of your Subcommittee, and others to urge reversal of any decision to sole-source WMATA's Farecard requirements. We have made some progress but are continuing our efforts to convince the WMATA Board that competition is truly in WMATA's and the public's best interest.

Alta's Qualifications

Alta's fare collection equipment has been selected over Cubic's in Baltimore, Buffalo, and Boston. Alta also has been selected in San Francisco to rebuild the high-speed ticket encoders originally manufactured by Cubic. Alta's parent corporation, Compagnie Generale d'Automatisme (CGA), was chosen over Cubic in Hong Kong to complete the third segment of Hong Kong's mass transit railway system. Additionally, CGA was selected over Cubic for contracts in Caracas, Venezuela, and in Seoul and Pusan, Korea. At present, CGA equipment also is operating successfully in Montreal, Toronto, Paris, Marseilles, Madrid, Stockholm, Sao Paulo, Rio de Janeiro, and Santiago, Chile.

Without question, Alta has the demonstrated technical expertise to bring state-of-the-art Farecard machinery to the Washington Metrorail system. As evidenced by the decisions of other mass transit officals around the world, Alta has the ability to install and operate highly reliable equipment. The transit authorities in Hong Kong, for example, had been dissatisfied with the breakdowns and high maintenance costs associated with the Cubic equipment installed in the initial phase of their transit system development. Even though Cubic had provided the fare collection system for the first two lines, CGA was awarded the contract for the third line based on proven reliability data and lower cost to the Hong Kong Mass Transit Railways Corporation. For eleven months now, the third line has been in operation and CGA's fare collection equipment has been shown to exceed the specifications in terms of reliability as well as showing total compatibility with Cubic's equipment. For example, passengers can enter and exit anywhere in the system through either Cubic or CGA gates. Tickets and passes sorted by CGA's encoder/sorter machines are stacked in Cubic's magazines to be loaded in Cubic's ticket issuing machines. Data generated by Cubic's ticket issuing machines according to Cubic's format and protocol are collected by CGA's station computer. In short, CGA has achieved technical and operational compatibility with Cubic's equipment.

Competition Issues

WMATA cannot justify a sole-source award for enhanced Farecard machines under its regulations. Consistent with longstanding federal procurement regulations and norms, WMATA's procurement regulations provide that "all purchases and contracts . . . shall be made on a competitive basis to the maximum practicable extent." WMATA Regs., ch. 1, sec. 2 (emphasis added). The regulations further provide that "[a] contract can be negotiated without competition when it is determined by competent authority that only one source of supply is available." Id., ch. 3, sec. 4(a). (All proposed sole-sourced contracts over $10,000 in value must be approved by UMTA because WMATA is an "uncertified" federal grantee at present.) WMATA cannot meet the applicable criteria and thus has no authority to sole source the contract.

To establish that only one source of supply is available, WMATA must demonstrate that only one contractor truly is capable of performing the work or that the immediacy of WMATA's needs are so "critical" that competitive procedures cannot be used. (A "critical" need is demonstrated by a precise statement of resulting damage, not the mere recitation of an administrative deadline.) To date, the only rationale supplied by WMATA's General Manager for a sole-source award is that such a procurement would have "low technical risk benefits" and could be completed 2 1/2 to 3 years sooner than a competitive procurement.

Even if WMATA makes the assumption that the current vendor's proposal has a lower technical risk, WMATA cannot make a finding that Cubic is the only source capable of performing the contract. Under WMATA's regulations, the agency cannot select Cubic simply because it believes the current vendor is uniquely qualified or experienced. WMATA Regs., ch. 3, sec. 4(c)(ii)(a). Moreover, WMATA cannot claim that rehabilitation of its current Farecard machines is so urgent as to preclude the short delay that a limited competitive procurement would require.

WMATA regulations and all governing federal procurement principles require that the Farecard machine enhancement procurement be conducted on a competitive basis to the maximum practicable extent, even if competitive sealed bidding procedures or fully competitive negotiations are infeasible. As there presently is no indication that WMATA's General Manager has considered a limited competitive negotiation as an alternative to a sole-source award, a noncompetitive award to Cubic clearly would be illegal.

All Alta has ever asked is that WMATA consider competition. Alta has demonstrated that it is ready, willing, and able to compete. We believe that competitive procurement limited to companies with workable prototypes is, and must be, preferred over a sole-source procurement from WMATA's and UMTA's standpoint as well as our own.

As a final matter, notwithstanding spacious claims to the contrary, no infringement of Cubic's alleged proprietary data rights in the existing equipment would occur with the installation of Alta's equipment. Moreover, Alta would meet every single one of WMATA's requirements, including the applicable Buy America provisions, in sourcing the contract. Alta's manufacturing facility in Stamford, Connecticut has produced reliable fare collection equipment for contracts performed successfully in Baltimore, Buffalo, Boston, and San Francisco. It is prepared and anxious to do the same high quality work for WMATA in the Washington Metropolitan area.

Conclusion

Alta Technology, if given the opportunity, could provide WMATA with state-of-the-art Farecard equipment at significantly lower immediate and long-term costs than the current vendor. As Alta's performance in Baltimore, Buffalo, and Boston demonstrates, Alta has the technological and financial capability of installing and maintaining highly reliable farecard equipment. Moreover, as its performance in San Francisco and Hong Kong confirms, it can configure its equipment to be fully compatible with Cubic's equipment, without maintenance, training, or spare parts problems. To help correct some of the problems plaguing the Metrorail system, however, Alta must first be given the opportunity to compete.

Given this Subcommittee's jurisdictional interests and the strong public policy favoring the competitive award of federally funded procurements, Alta hopes the Members of this Subcommittee will encourage the WMATA management and Board of Directors to make every effort to purchase the enhanced and new fare collection equipment through competitive procurement.

Thank you.

Mr. **Lehman**. Thank you very much, Mr. Davis.

Just what are you saying, are you asking us for the opportunity to compete?

Mr. **Davis**. That is correct, Mr. Chairman.

The arguments that have been raised by the current vendor which suggest that allowing another vendor to compete to integrate its machines into a current system, arguments relating to maintenance costs and compatibility, are not arguments against competition, those are arguments against contract award.

The law requires if there is a willing and interested competitor, to permit that competitor to prove to the procuring agency that it can be qualified and meet the standards of that agency.

Mr. **Lehman**. There was some concern about Buy American compliance. Have you met all those conditions?

Mr. **Davis**. Yes sir, Mr. Chairman. In prior jurisdictions, where Alta participated and was awarded contracts that were procured through federal funds, the management of Alta Technology, which has manufacturing facilities in Stamford, Connecticut, was required under penalty of perjury to certify that it would comply with all requirements of the Surface Transportation Act Buy American provision. There is absolutely no basis for suggesting that either I as their lawyer, or anybody in the management level of Alta would subject itself to criminal penalties for noncompliance, and we would wholly expect to qualify and to comply with Buy American here in the District, as we have in Baltimore, where we won a contract over Cubic, as we have in Buffalo, where we won a contract over Cubic. There is no basis whatsoever to the allegation by Cubic of Buy American problems.

Mr. **Lehman**. There was some concern expressed by the Washington Metropolitan Area Transit Authority when they were testifying, if I remember correctly, about the proprietary rights of your gaining access to certain technology that previously had been used in this equipment. Is there any problem still existing in that respect?

Mr. **Davis**. No, Mr. Chairman. Alta does not need any access to any proprietary software or anything else covered by the Cubic-Washington Metropolitan Transit Authority agreement relating to data rights in the current communications system, and we have already indicated that we are prepared to demonstrate that to anybody on the Washington Metropolitan Transit Authority staff. We believe that the current general counsel of Washington Metropolitan Transit Authority, Sara Lister, has taken a look at that issue and has cited, after reading the agreement with Cubic, that that would not present any serious problems.

Mr. **Lehman**. Mr. Pursell.

Mr. **Pursell**. Have you initiated court action at this point?

Mr. **Davis**. No. In fact, again, one of the arguments that Cubic has raised is that there is a threat of litigation here and in fact, we have no plan to whatsoever. After all, Washington Metropolitan Transit Authority is going to be our customer. Our feeling is that the law is so clear—according to Mr. Stanley and Mr. LaSala of UMTA—the law is so clear that the policies in favor of competition are such that there really is no legal basis for challenging a decision to award competitively. So there is no litigation or planned litigation, despite the fact that that has been mentioned by Cubic among various people.

Mr. **Pursell**. So are you asking for any committee language or legislative language to further enhance your opportunities to bid?

Mr. **Davis**. We would appreciate the Committee—we don't want the Committee to say anything favorable about Alta. It shouldn't mention Alta. We are not here to special plea a contract. We think the public policy in favor of competition, which benefits Washington Metropolitan Transit Authority as well as the taxpayer, would be important, and we emphasize it as something that ought to prevail in a system as important to the people of this community as Washington Metropolitan Transit Authority.

Mr. **Pursell**. So in your analysis, you already feel current law is enough rather than initiating any further legislation?

Mr. **Davis**. That is correct, Congressman. I would like to emphasize that on two occasions in the last 18 months, despite the fact that the Washington Metropolitan Transit Authority staff helped us build at our own expense an identical prototype machine, which is sitting in my office. It is a farecard machine that you can get a farecard into, out of, and use it in the system. We worked with them, did it at our own expense. We only asked for two commitments—one, that they cooperate with us to help build the machine, and they did. Two, if we go to all that expense and trouble—we did not ask for any commitment on getting a contract, we just asked for a chance to compete.

And they did all that and then twice in the last 18 months—recently four weeks ago—what the staff recommended, notwithstanding all of our efforts, without any advance notice to us, a sole source, noncompetitive award to the very same vendor whose machines didn't work in the first place, who is now offering to resupply.

So we would appreciate from this Committee, as strong language as possible that the public policy in favor of competition, especially where you have a willing and interested company, willing to offer that competition, we believe that policy needs to be reemphasized by this Committee.

Mr. **Pursell**. Thank you. I have no further questions.

Mr. Chairman, I have an appointment with another federal agency, so we will let Mr. Wolf represent our side for the remainder of the morning. Thank you.

Mr. **Wolf**. Just one question. What is the current status now?

Mr. **Davis**. The current status as of four weeks, is that Cubic was going to get a sole source, noncompetitive award. At the 11th hour, after an executive session by the Board, apparently had made that decision literally as we were ready to ship the machines to Washington for demonstration, that we were ready to compete. We then sought as much help as we possibly could from Members of Congress, and from members on the Washington Metropolitan Transit Authority Board we felt hadn't been adequately informed.

The current situation is that they have stopped their progress on the juggernaut sole source award. We understand Mrs. Turner and the general counsel Sara Lister are relooking at the situation and so the question remains open, which to us is good news, because as of four weeks ago, it looked like we were completely shut out. We hope that their deliberations will see the benefit of allowing us to compete. If in their wisdom we are not able to meet all the criteria that we have to demonstrate, especially compatibility, because we are going to be, if we get the award, supplying machines that must be compatible with the current system, if we can't meet those standards in competitive procurement, then in their wisdom they can award the contract to the current vendor.

We hope that this is the way they are leaning. As of now, we have no information except they have stopped the progress of the decision to award noncompetitively in the process of reappraisal.

Mr. Wolf. Was there any timetable put on it?

Mr. Davis. We only understand through informal sources that they are going to be reviewing the decision at either this coming Washington Metropolitan Transit Authority meeting on Thursday, or a week from Thursday, which is why we feel such a great sense of urgency that Members of the Committee and others who believe in competition, need to communicate to Washington Metropolitan Transit Authority at this juncture a policy in favor of competition, because the decision could be very imminent.

Mr. Wolf. No further questions.

Mr. Lehman. Thank you, Mr. Wolf.

Tuesday, April 22, 1986.

FEDERAL HIGHWAY ADMINISTRATION

WITNESS

HON. DOUGLAS K. BEREUTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEBRASKA

Mr. Lehman. Doug Bereuter.

Mr. Bereuter. Thank you, Mr. Chairman, Members of the Committee.

I want to thank you for this opportunity to come before you in what has been my annual appearance on behalf of the largest city in my district, Lincoln, Nebraska, the state capitol. I want to tell you that I appreciate your support and patience over the last couple of years for Lincoln's railroad project, to eliminate some of the dangerous railroad/highway crossings. I thank you for your past assistance, and want to assure you that it is worthwhile in terms of Congress' investment of U.S. Government funds.

I would like to summarize my comments and submit the full statement for your record.

Let me say first, I think it is no exaggeration to say that the railroad/highway crossings demonstration program was primarily due to my precessors from Nebraska in the House and Senate, and environmental litigation. Frankly, we got started very late in using the funds that were made available and I guess the primary beneficiaries may well have been communities in Indiana and Illinois.

The community of Lincoln has made very substantial investments in solving very critical railroad/highway crossing problems, spending about 60 percent of local funds, and actually creating an innovative political subdivision called the Railroad Transportation Safety District (RTSD), perhaps the first in the nation to do so.

The problem, to be more specific, is the fact that we have an extremely large number of slow moving coal trains moving through Lincoln that are hauling Wyoming coal to power plants and other users across the Midwest. All this funneled through the major part of the city, and created severe crossing problems. We are talking an average of 35 trains a day, most of which are coal trains. Sometimes the number reaches 50 trains a day. These trains are usually over 100 cars in length and traveling at a rate of five to ten miles and hour. So you can see that the number of hours that these crossings are blocked is very substantial. It has created all kinds of health and emergency service problems.

I respectfully request that the committee continue its past support for this project by earmarking the remaining $4 million needed to complete two major parallel viaducts, K and L street extensions. Several years ago, your committee saw fit to earmark $8.7 million to build a viaduct at this site, which would have helped alleviate the severe safety problems, as well as eliminate those railroad crossings which have hindered economic development opportunities of the western part of the city. Unfortunately, we were uanble to maintain this level of funding throughout the legislative process, so we have had only $1.8 million that year.

Again, last year the committee saw fit to appropriate the remaining $6.9 million. However, between the conference committee and Gramm-Rudman reductions, the project received approximately $2.9 million, some $4 million short of its projected need.

The decision by the Appropriations Committee last year to include almost $3 million brought us closer to the amount needed to complete the project. However, costs have escalated and made it virtually impossible to proceed without additional assistance.

The city is spending its money in several other railroad crossing areas. Of course it would match this if funded. If you again to see fit to make a financial commitment on what is already a two year investment on our part, I promise you will not see me again before this Subcommittee on this subject.

[The prepared statement of Hon. Doug Bereuter follows:]

TESTIMONY BY THE HONORABLE DOUG BEREUTER ON THE RAILROAD-HIGHWAY CROSSINGS DEMONSTRATION PROGRAM BEFORE THE SUBCOMMITTEE ON TRANSPORTATION OF THE COMMITTEE ON APPROPRIATIONS

APRIL 22, 1986

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to make what has become my annual appearance before your Committee on behalf of the largest city in my district, Lincoln, Nebraska. I want to tell you that I appreciate your patience and support over the last couple of years for Lincoln's railroad project to eliminate some of its dangerous railroad-highway crossings. I thank you for your past assistance and want to assure you that it has been worth the Congress's investment.

I respectfully request that the Committee continue its past support of this project by earmarking the remaining $4 million needed to complete the "K" and "L" streets extension. Several years ago your Committee saw fit to earmark $8.7 million to build a viaduct at this site which would help alleviate the severe safety problem as well as eliminate a railroad crossing which has hindered the economic development opportunities of the city. Unfortunately, we were unable to maintain this level of funding throughout the legislative process and so received only $1.8 million that year.

Again, last year your Committee saw fit to appropriate the remaining $6.9 million through the Railroad-Highway Crossings

Demonstration project. However, between the Conference Committee and the Gramm-Rudman reduction, the project received approximately $2.9 million, some $4 million short of its projected need. The decision by the Appropriations Committee last year to include $3 million brought us closer to the amount needed to complete the project. However, costs have escalated and made it virtually impossible to proceed without additional assistance. If you again see fit to make the final commitment on what is already a two-year investment on your part, I promise that you will not see me again on this subject.

As I described to you last year, the "K" and "L" streets segment is crucial to the development of the southwest portion of Lincoln. Presently, Southwest Lincoln is isolated from the Central Business District and other areas of the City by tracks which serve the high volume traffic of the Burlington Northern coal trains and other heavy freight carriers. Street travelers must traverse five sets of tracks, which carry an estimated 36 trains per day, most of which are travelling at speeds of five to ten miles per hour and average 100 cars in length.

The lack of convenient and safe access to this sector of the City has severely hindered its economic development. It also has posed a serious problem for emergency police and fire vehicles which need to cross the tracks to get to the residents in the area. The Police Department estimates that at least one police vehicle per day on an emergency call is delayed by a train blockage. The Fire Department, WITH A ONE-TRUCK STATION WITHIN THE BOUNDARIES OF THE SOUTHWEST SECTION, EXPERIENCES MAJOR TRAIN-CREATED DELAYS ONE TO TWO TIMES PER MONTH. AMBULANCE SERVICES PERSONNEL QUOTED AN AVERAGE OF FIVE CALLS PER WEEK WHICH ARE HELD UP BY TRAIN CROSSINGS.

THE CITY OF LINCOLN AND ITS RAILROAD TRANSPORTATION SAFETY DISTRICT BOARD, AS IN THE PAST, HAVE NOT RELIED TOTALLY ON FEDERAL FUNDS. THEY RECOGNIZE THE CRITICAL NATURE OF THIS PROBLEM AND HAVE ATTEMPTED TO CONTINUE ACTIVITY ON THE "K" AND "L" STREETS CONNECTION DESPITE THE FUNDING SETBACKS. THE CITY AND BOARD HAVE CONTRIBUTED LOCAL FUNDS FOR THE PRELIMINARY AND FINAL DESIGN OF THE VIADUCT.

THUS FAR, 60 PERCENT OF THE TOTAL DEMONSTRATION PROJECT COSTS HAVE BEEN LOCALLY FUNDED; THE REMAINING 40 PERCENT OF THE COSTS HAVE BEEN FUNDED WITH FEDERAL DEMONSTRATION FUNDS. THE CITY BEGAN WITH A HUGE COMPREHENSIVE PROJECT WITH ESTIMATED COSTS TOTALLING ONE HUNDRED MILLION DOLLARS. NOW PROJECT PLANS HAVE BEEN SCALED DOWN TO THREE SEPARATE SEGMENTS COSTING SOME $25 MILLION. THIS IS THE LAST $4 MILLION NEEDED TO COMPLETE THESE THREE SEGMENTS.

ONCE AGAIN, I EMPHASIZE IN CLOSING THAT THE VIADUCT IS A PROJECT WHICH WOULD EASE A CONSTANTLY GROWING TRANSPORTATION BOTTLENECK. IT IS ESTIMATED THAT THIS YEAR 13,500 CARS TRAVERSE THESE TRACKS EACH DAY. PROJECTIONS SHOW THAT THIS TRAFFIC WILL ALMOST DOUBLE IN 20 YEARS IF MEASURES ARE NOT TAKEN TO CORRECT THE SITUATION. IN ADDITION, THE

PROJECT WOULD ELIMINATE GRAVE SAFETY PROBLEMS AND ENHANCE THE DEVELOPMENT EFFORTS OF AN ENTIRE SECTION OF LINCOLN, CONSISTENT WITH THE COMPREHENSIVE DEVELOPMENT PLAN OF THE CITY. I AM PLEASED AND PROUD OF WHAT WE HAVE DONE THUS FAR WITH YOUR ASSISTANCE. YOUR CONTINUED CONSIDERATION AND SUPPORT WOULD BE GREATLY APPRECIATED BY THE CITIZENS OF LINCOLN, NEBRASKA, AS WELL AS BY MYSELF. THANK YOU.

Mr. **Lehman**. Over the years we have been, if not generous, certainly consistent.

Mr. **Bereuter**. Yes sir, you have geen generous.

Mr. **Lehman**. We haven't given you all you needed when you wanted it. You know, with the budgetary constraints under Gramm-Rudman and the problems on the House side, you did all right. We have to try to do better with the Senate in the future. We support this project, as you know.

Mr. **Bereuter**. Thank you, Mr. Chairman, you have been generous and our problem has been in the other body.

Tuesday, April 22, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESSES

HON. TIMOTHY E. WIRTH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

HON. HANK BROWN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

MAYOR FEDERICO PENA OF DENVER, COLORADO

BRUCE ROCKWELL, CHAIRMAN OF THE BOARD, DENVER PARTNERSHIP, INC.

Mr. **Lehman**. Mayor Pena.

Mr. **Wirth**. If we might, Congressman Brown and I wanted to introduce Mayor Pena and Mr. Bruce Rockwell, the Chairman of the Board of the Denver Partnership, in support of their request today.

Denver, as you know, has a very significant air pollution problem and transit problem. We have developed a very strong, good cooperative program between various levels of government, the public sector and the private sector, and we are here to state our bipartisan support for this project, as well as to reflect upon the cooperative effort that has put this proposal together.

I have a longer statement, which I would like to submit for the record, but the important part of this is to hear from the Mayor and the Denver Partnership.

[The prepared statement of Hon. Timothy E. Wirth follows:]

STATEMENT OF
THE HONORABLE TIMOTHY E. WIRTH

BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION,
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

CONSTRUCTION FUNDS FOR A BUS/ HIGH OCCUPANCY VEHICLE LANE FOR I-25

Mr. Chairman, it is a pleasure to appear before you today in the company of Mayor Pena and other representatives of the Denver metropolitan area. I am enormously pleased to be able to report that a broad range of intrests — state and local governments, business leaders, and civic groups — have coalesced behind a single, comprehensive plan for meeting metropolitan Denver's mass transit needs. The first step in this plan is to construct a twelve-mile bus/high occupancy vehicle lane in the I-25 corridor that extends north from downtown Denver. The initial phase of that project, for which we seek the Committee's support today, involves construction of this project from the central business district to the 58th Avenue interchange with Interstate 25.

Mr. Chairman, this is a responsible, cost effective, and technically sound proposal. I strongly urge this Committee to earmark $6.55 million for this project as part of the Urban Mass Transportation Administration's fiscal year 1987 section 3 appropriations.

One of the key problems facing the Denver metropolitan area, as Colorado plans for the next century, is transportation. There is little doubt that we need to provide safe and efficient transportation for people traveling into Denver's central business district to work, visit, or shop. At the same time, there is wide agreement that we must redouble our efforts to reduce air pollution in the metropolitan area. The consensus embodied in the package being presented by Mayor Pena today will squarely meet these needs.

The Regional Transportation District estimates that with construction of a bus/high occupancy vehicle lane, bus patronage on the north I-25 corridor will increase from 3,400 passengers to almost 10,000 passengers each day during the morning rush hours. This would be an increase of 195 per cent. An additional 3,450 carpoolers would take advantage of the high occupancy vehicle lane to speed their trip into and out of Denver during the periods of peak use.

Remarkably, as Mayor Pena points out, this project will actually double the capacity of the Interstate 25 corridor for less than it costs to build a single mile of freeway. Clearly, this project makes good economic sense. It also is desperately needed as a part of the metropolitan area's efforts to improve air quality in the Denver airshed.

Six counties in the Denver metropolitan area — Adams, Arapahoe, Boulder, Jefferson, Douglas, and Denver — are affected by poor air quality. Indeed, the Denver urban area has some of the worst air pollution in the country This region is home for two million people, fully half the entire population of the State of Colorado. These statistics lend additional force to our shared commitment, as elected representatives of the people of Colroado, to attack this problem head on.

Carbon monoxide, a colorless, odorless toxin, is a principal contributor to the air pollution problem that threatens not only the young, the elderly, and the infirm, but also healthy individuals. Carbon monoxide levels are highest in the Denver urban area from mid-November through mid-January, when cold air traps air pollution close to the ground, causing dangerously high concentrations of the gas. In the past, Denver has exceeded federal standards of 9 parts per million on a number of days, and has even witnessed carbon monoxide levels as high as 20 parts per million -- more than twice the federal standard.

Carbon monoxide is produced chiefly by gasoline powered cars and trucks. Thus, an effective response to this problem will depend on our ability to reduce the number of vehicle miles traveled during any one day. And that is another reason why the support of this Committee for the Denver metropolitan area's mass transit program is so important. While the metropolitan area's voluntary efforts to curb auto emissions are having an effect, there is near-unanimous agreement that more needs to be done to bring the Denver area into compliance with federal clean air standards. The proposal for a bus/high occupancy lane that the Denver area's business, governmental, and civic groups have developed is an integral and essential part of the Denver urban area's fight against air pollution.

And finally, this proposal is eminently responsible from a fiscal perspective. Under the proposal that Mayor Pena will outline today, in Fiscal Year 1987 a package of $19.2 million must be funded. Of that sum, the Colorado Department of Highways will provide $8.1 million, the City and County of Denver will provide $1 million, and the Regional Transportation District has committed $3.55 million to this project. Within this context of real and substantial local and state cost-sharing, we are asking that this Subcommittee earmark $6.55 from the UMTA Section 3 program for the first phase of the Denver metropolitan area's mass transit plan.

I am convinced that this worthwhile, fiscally sound, cost-effective package will make a significant contribution both to the Denver urban area's mass transit needs as well as to combating a serious air pollution problem. Thank you for your consideration and for the opportunity to appear before you today.

Mr. Brown. Mr. Chairman, I would like to add my feelings, along with the formal statement that I have prepared, a couple of thoughts I think are worth examining here.

The Denver metro area was an area once examined for a high speed subway. Unfortunately, the funds from the Federal Government were not available at the time that we were on track to receive those funds. What you have before you is, I am confident, the most cost effective proposal I have seen come out for any major metropolitan area. It is one that uses existing technology. It is one that clearly works, and is highly efficient. It is a plan that I am very comfortable in saying will make a marked improvement in the quality of our area in Colorado but perhaps most important, it is a proposal that comes with very strong bipartisan support and support from both the core city as well as the suburbs. So it is one that there is strong agreement in Colorado on. We very much appreciate your willingness to consider it and I look forward to working with the committee.

[The prepared statement of Hon. Hank Brown of Colorado follows:]

HONORABLE HANK BROWN
OF
COLORADO
BEFORE THE SUBCOMMITTEE ON TRANSPORTATION
HOUSE APPROPRIATIONS COMMITTEE
APRIL 22, 1986

Mr. Chairman, I appreciate the opportunity to submit testimony in support of funding for the proposed Interstate 25 Busway/High Occupancy Vehicle Lane, which will be located in Denver.

As you may know, the Denver metropolitan area has grown rapidly over the last several decades. This trend appears to be continuing. This growth has presented some difficult problems for the Denver area. A substantial increase in traffic and air pollution are among those problems. Recognizing the need to overcome some of these difficulties, the municipalities in the Denver area have worked together to outline the region's most vital transportation needs. These municipalities have come to a consensus on the need to expand the traffic capacity of the north I-25 corridor, a main thoroughfare between Denver's northern suburbs and downtown Denver.

The Regional Transportation District (RTD), with a wide spectrum of support, has submitted a proposal to the Urban Mass Transportation Administration (UMPTA). RTD would like to begin advance design work for north corridor facilities and the construction of an I-25 interchange and viaduct connections to the central business district during Fiscal Year 1987. RTD has proposed to spend a total of $19.2 million during FY 1987. Under its proposal, RTD would contribute $3.55 million, the City of Denver would contribute $1 million, and the Colorado Department of Highways would contribute $8.1 million, with the remaining $6.55 million provided by UMTA Section 3 ("New Starts") grant program contained in the FY 1987 Appropriations legislation for the Department of Transportation and Related Agencies.

The Denver area municipalities have worked diligently to outline a proposal to address what they feel is the most pressing transportation issue in the Denver area. It is a proposal which they are willing to devote a substantial amount of time and money to support. The project should benefit the region by expiditing traffic flow and increasing bus ridership. Consequently, air quality would be enhanced.

Mr. Chairman, your committee has been crucial in forming the roadway infrastructure and your contribution is appreciated. It is my hope that as the committee deliberates the FY 1987 transportation budget, you will give the needs of the Denver metropolitan region due consideration.

Thank you.

Mr. **Lehman**. Mayor Pena.

Mr. **Pena**. I think I will start first—let me on a personal basis, Members of the Committee, say thank you for your previous support for a project which is very important to the City and County of Denver, certain bridges we needed to get done. We appreciate your help.

Mr. **Lehman**. We got support from Denver for final passage of our bill.

Mr. **Pena**. At any rate, we appreciate your previous support and we do know you have a lot of friends in Denver and are familiar with the area. I am here today with a delegation from Denver. I will introduce the members of the delegation in a minute. I will submit formal testimony for the record, but I don't want to read that testimony. I will make a few points.

Mr. Chairman, Members of the Committee, we are here to request funding and earmarking for the 1987 UMTA new start funds for a special project in Denver, which is a northbound HOV line bus service, which will connect our downtown Denver to Interstate 25 north to the county from which Congressman Brown represents, Adams County. Just to give you a quick sense—I know you are familiar with the area—of what we are talking about. This is a map of the Denver metropolitan area, and we are talking about connecting downtown with this link, going on I-25 north into Adams County. The project that we have before you today and request, is for phase 1 of this 12 mile project, the first phase is only five miles.

Two or three points I would like to make about this project—and they have been alluded to already—one, is the fact this is a low budget, but high impact project. In fact, we double the peak capacity of Interstate 25 with this project at a cost which is cheaper than constructing one new mile of highway lane for this area. We think that based on the standards that have been used before this Committee that this is a very cost effective approach.

There will be a combination of funds and sources which will be used for the project, the cities involved in this, the regional railroad district is helping with some financing, the state highway department is involved and also requesting some UMTA assistance.

The third point that I want to make, Mr. Chairman, and Members, is this project has produced community support. As Congressman Wirth was saying, we are in the process of putting together a comprehensive plan for the entire Denver Metropolitan area for this one project, the north corridor. It is supported by the Governor, the business communities, a number of regional authorities, and all those letters of support are in the packet that you have before you. So with the statements made by both of the Congress people here today, gives you a sense of the kind of support that we have for the project.

Lastly, is the point that was referred to earlier. That is, carbon monoxide. Denver is not in compliance with the Federal Clean Air Act. We have until 1987 to achieve that and we very much want to do that. This will help us take a step forward in the beginning to reduce carbon monoxide in the metropolitan area by concentrating on commuter use of this HOV line.

Let me, with those four points, Mr. Chairman, and Members, introduce Mr. Bruce Rockwell. He is the Chairman of the Board of the Denver Partnership, which is an organization representing a number of businesses in Denver. Other members of our RTD are here with us. I think Mr. Rockwell is going to take the remaining part of my time to complete the testimony for the city.

[The prepared statement of Mayor Federico Pena follows:]

PRESENTATION BY MAYOR FEDERICO PENA
TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE
APRIL 22, 1986

CHAIRMAN LEHMAN AND MEMBERS OF THE COMMITTEE, MY NAME IS FEDERICO PENA AND I AM THE MAYOR OF THE CITY AND COUNTY OF DENVER. IT IS MY PRIVILEGE TO APPEAR BEFORE YOU TODAY AND TO BRIEFLY DISCUSS SOME OF THE NEEDS OF THE DENVER METROPOLITAN AREA AND TO REQUEST A $6.55 MILLION EARMARK FROM THE 1987 FEDERAL UMTA NEW START FUND. FOR SEVERAL YEARS, THE DENVER METROPOLITAN AREA HAS WORKED TO DEVELOP A REGION-WIDE MASS TRANSPORTATION PLAN WHICH WOULD ELICIT THE SUPPORT OF A BROAD RANGE OF INTERESTS IN THIS RAPIDLY GROWING AREA. AS CONGRESSMAN WIRTH HAS REPORTED TO YOU, A CONSENSUS HAS NOW COALESCED AROUND A SINGLE PROPOSAL, THE NORTH I-25 BUS/HOV LANES LINKING DOWNTOWN DENVER AND THE CITY'S NORTHERN SUBURBS. THE ATTACHED BROCHURE BEING DISTRIBUTED EXPLAINS THE PROPOSAL IN DETAIL, SO I WON'T TAKE YOUR VALUABLE TIME TO REITERATE ALL OF THE POINTS IT CONTAINS. THERE ARE, HOWEVER, SEVERAL ITEMS WHICH I WOULD LIKE TO HIGHLIGHT:

- **I-25 NORTH CORRIDOR**. THE ULTIMATE PROJECT WOULD EXTEND FROM DOWNTOWN DENVER ALONG 20TH STREET TO I-25 AND THEN NORTH TO 120TH AVENUE - A TOTAL OF 12 MILES. WE HAVE ALREADY BUILT 5 PARK-N-RIDES WHICH CURRENTLY SERVE THIS CORRIDOR. THE FIRST SEGMENT WOULD BE A STAND-ALONE PROJECT THAT WOULD EXTEND NORTH TO 58TH AVENUE.

- **COMMUNITY SUPPORT**. AS YOU CAN SEE FROM YOUR PACKET AND THE GROUP WHICH ACCOMPANIES ME HERE TODAY, THIS PROJECT HAS THE SUPPORT OF A DIVERSE CROSS SECTION OF PEOPLE FROM BOTH THE PUBLIC AND PRIVATE SECTORS. THE NEED FOR ADDITIONAL TRANSIT CAPACITY IN THIS CORRIDOR IS NOT A PARTISAN ISSUE. TO DEMONSTRATE TO YOU THE BREADTH OF THAT SUPPORT, I HAVE BROUGHT WITH ME TODAY: (INTRODUCES MEMBERS OF GROUP)

THE DENVER REGIONAL COUNCIL OF GOVERNMENTS, OF WHICH I AM A DIRECTOR, HAS SELECTED NORTH I-25 AS THE FIRST PRIORITY TRANSIT CORRIDOR IN ITS CAPACITY AS METROPOLITAN PLANNING ORGANIZATION.

o BUDGET. THESE ARE DIFFICULT TIMES FOR ALL OF US. THE NEED TO ECONOMIZE IS SELF-EVIDENT. THE PROPOSAL WE BRING TO YOU TODAY IS A LOW-COST/HIGH-IMPACT PROJECT. USING UMTA'S OWN COST INDEX EVALUATION CRITERIA, THIS PROJECT RANKS AS ONE OF THE MOST COST-EFFECTIVE IN THE NATION. IT COMBINES LOCAL FUNDS FROM THE CITY AND COUNTY OF DENVER, THE REGIONAL TRANSPORTATION DISTRICT AND THE COLORADO HIGHWAY DEPARTMENT WITH THE UMTA FUNDS WE SEEK FROM YOUR COMMITTEE.

WHEN MR. STANLEY OF UMTA APPEARED BEFORE YOU, HE STRESSED THE NEED FOR CITIES TO DEVELOP COST-EFFECTIVE SOLUTIONS TO PUBLIC TRANSPORTATION. THIS PROJECT WILL DOUBLE THE PEAK HOUR CAPACITY OF I-25 FOR LESS THAN IT COSTS TO BUILD ONE MILE OF NEW FREEWAY. WE CAN BUILD THIS PROJECT WITHOUT ACQUIRING ANY NEW RIGHT-OF-WAY - NO HOMES OR BUSINESSES WILL BE IMPACTED.

o AIR QUALITY. REGRETTABLY, ONE OF THE THINGS THAT HAS HELPED TO UNITE THE CITIZENS OF DENVER IS THE POOR QUALITY OF OUR AIR. THE DENVER METRO AREA HAS A SERIOUS CARBON MONOXIDE PROBLEM AND IS STRUGGLING TO ACHIEVE COMPLIANCE WITH FEDERAL STANDARDS BY 1987. I AM NOT SUGGESTING THAT THIS PROJECT ALONE WILL SOLVE OUR AIR QUALITY PROBLEM; IT WILL NOT. CARBON MONOXIDE EMISSIONS, HOWEVER, ARE PRODUCED ALMOST EXCLUSIVELY BY AUTOMOBILES. REDUCING VEHICLE MILES TRAVELED IS ESSENTIAL TO ANY SUCCESSFUL IMPROVEMENT STRATEGY. IT WOULD BE FOOLISH TO THINK THAT WE COULD ACHIEVE THIS OBJECTIVE WITHOUT VIABLE MASS TRANSIT. THE I-25 NORTH CORRIDOR PROJECT WILL DRAW COMMUTERS TO TRANSIT AND TO CARPOOLS BECAUSE THEIR COMMUTE WILL BE QUICKER THAN IF THEY TRAVELED ALONE. THE SHARE OF THE COMMUTER TRAVEL MARKET USING TRANSIT IN DENVER HAS BEEN STEADILY INCREASING FOR SEVERAL YEARS. TODAY, OVER 28 PERCENT OF ALL

DOWNTOWN COMMUTERS ARRIVE BY TRANSIT. THIS PROJECT WILL HELP US INCREASE THE MARKET SHARE OF TRANSIT AND CARPOOLING AND PRODUCE TANGIBLE IMPROVEMENTS IN OUR AIR QUALITY.

SUMMARY

TO SUMMARIZE, WHAT WE ARE ASKING FOR TODAY IS YOUR SUPPORT FOR A $6.55 MILLION EARMARK FOR FISCAL YEAR 1987 TO BEGIN CONSTRUCTION OF THE NORTH I-25 CORRIDOR BUS/HOV LANES. PHASE I CONSISTS OF BUILDING THE FIRST FIVE MILES OF WHAT WILL EVENTUALLY BE A 12-MILE CORRIDOR. THIS CONSTRUCTION CONSTITUTES A USEABLE SEGMENT WHICH WILL PROVIDE SIGNIFICANT BENEFITS TO THE PUBLIC REGARDLESS OF THE FUTURE TIMING OF THE REMAINING CONSTRUCTION. WE WILL BE REQUESTING A TOTAL OF $53.35 MILLION OVER FOUR YEARS TO COMPLETE THIS PHASE I PROJECT. OUR REQUEST ALSO INCLUDES MONEY NEEDED FOR THE ACQUISITION OF THE BUSES AND A BUS MAINTENANCE FACILITY NEEDED TO SUPPORT THE OPERATION OF THE COMPLETED BUS/HOV LANES. WE APPRECIATE THE TIME YOU AND YOUR STAFF HAVE SPENT REVIEWING OUR REQUEST. WE WOULD BE PLEASED TO ANSWER ANY QUESTIONS. THANK YOU.

Mr. ROCKWELL. Thank you, Mr. Chairman, and Mr. Wolf, thank you very much for giving us the opportunity to appear before you today.

The Denver Partnership is the principal town business organization, and I am happy to be here representing this organization. I will give only abbreviated remarks and will submit the full statement for the record, if I may, Mr. Chairman.

Denver's business community recognizes that the significant increases in transit ridership through major improvements in transit capacity and service are critical to the future of downtown and the city. Quality access is a prerequisite to the economic viability of the central business district and other key regional commercial centers. The Denver region urgently needs a premium quality rapid transit system that provides direct and convenient service into the downtown core. Supported by a strong commitment from major employers, such a system in Denver will attract enough new riders so that our access needs can be met without building extensive new highways.

Major findings of our recently completed downtown area plan show that Denver, and particularly downtown, along with RTD have done a good job attracting and servicing commuters who need or prefer to ride our current transit system. But our analysis has shown that we must increase transit use significantly beginning right now. The public and private stakeholders directing that process have agreed that we need a quality regional rapid transit system, supported by strong business community policies and incentives that will both attract and accommodate choice users to transit as well.

The downtown plan concluded that current transit rideshare and automobile usage levels will require 35-38 additional highway lanes to accommodate conservative downtown growth by the year 2000. The business leaders and public officials directing the downtown plan unanimously rejected this expansion of the highway system because of its costly and undesirable effects on downtown and the neighborhoods. What they agreed to was a package that included modest street upgrades, but emphasized major improvements to the regional transit system and public/private marketing of transit.

We have reviewed RTD's plan and request for funding for the construction of a new transit way on the North I-25 corridor from 58th Avenue into downtown Denver. We find that this proposal is compatible in concept with the initial phase of the downtown area plan recommendations.

The plan enjoys, as has been said, total community support and that is pretty hard to come by these days. Therefore, we would like this Committee to know that the downtown Denver Partnership supports this request for funding, and we look forward to working with you further in the future and hope that it will be possible for you to support this program.

Thank you very much.

[The prepared statement of Mr. Bruce Rockwell follows:]

TESTIMONY BEFORE HOUSE APPROPRIATIONS COMMITTEE
BRUCE M. ROCKWELL, CHAIRMAN OF THE BOARD
THE DENVER PARTNERSHIP, INC.
APRIL 22, 1986

BRUCE ROCKWELL'S COMMENTS TO THE APPROPRIATIONS COMMITTEE

Denver's business community recognizes that significant increases in transit ridership through major improvements in transit capacity and service are critical to the future of Downtown and the City. Quality access is a prerequisite to the economic viability of the Central Business District and other key regional commercial centers. The Denver Region urgently needs a premium quality rapid transit system that provides direct and convenient service into the Downtown core. Supported by a strong commitment from major employers, such a system in Denver will attract enough new riders so that our access needs can be met without building extensive new highways.

Major findings of our recently completed Downtown Area Plan show that Denver, and particularly Downtown, along with RTD have done a good job attracting and serving commuters who need or prefer to ride our current transit system. But our analysis has shown that we must increase transit use significantly beginning right now. The public and private stakeholders directing that process have agreed that we need a quality regional rapid transit system, supported by strong business community policies and incentives that will both attract and accommodate "choice" users to transit, as well.

The Downtown Plan concluded that current transit/rideshare and automobile usage levels will require 35-38 additional highway lanes to accommodate conservative Downtown growth by the year 2000. The business leaders and public officials directing the Downtown Plan unanimously rejected this expansion of the highway system because of its costly and undesirable effects on downtown and the neighborhoods. What they agreed to was a package that included modest street upgrades, but emphasized major improvements to the regional transit system and public/private marketing of transit.

Over the last few years, the business community has been carefully laying the groundwork to gain wider acceptance of transit by commuters and also shoppers. As a result of The Denver Partnership's Transportation System Management Project and our Downtown Area Plan we have policies and institutions already in place that will be the foundation for increased markets for transit, in tandem with the planned improvements to the transit system itself.

The Steering Committee of the Downtown Area Plan has developed a recommendation for a rapid transit system that is compatible with downtown and regional needs. This system must provide both reduced travel time and superior access directly into the core area. It must ultimately carry at least 50,000 peak-hour regional riders into Downtown, and be able to add capacity. This will require a grade-separated component, such a system as well as a new at grade transitway mall should be designed to carry a variety of transit vehicle types.

The recommended system includes three major elements:

- continued use of the 16th Street Transit Mall and Transfer Stations;
- a "through-service" transit/pedestrian mall on a "named street" (such as California Street) through the core of Downtown, to carry a maximum of 20,000 riders at peak hour; and
- a high capacity, "through-service" transit corridor located below-grade in the 15th Street corridor of Downtown Denver.

The 16th Street Mall is an extremely effective Regional and Downtown transit facility, but it is close to its ultimate peak hour capacity right now. A new facility to expand this capacity, as well as to attract new riders is needed. The proposed "California Street Transit/Pedestrian Mall" should be designed to carry up to a maximum of 20,000 passengers at peak hour, to supplement the present capacity of the 16th Street Mall. Transit vehicle volumes should be limited to be compatible with the commercial and pedestrian character of this street. Future volumes in excess of this should be accommodated in a new 15th Street Transit corridor. This high capacity below grade facility could accommodate an additional 35-40,000 passengers in the future. This corridor also opens up substantial opportunities for joint development and public/private cost sharing.

We have reviewed RTD's plan and request for funding for the construction of a new transitway on the North I-25 corridor from 58th Avenue into Downtown Denver. We find that this proposal is compatible in concept with the initial phase of the Downtown Area Plan recommendations. Therefore we want this Committee to know that we support the request for funding by RTD for the "North I-25 Corridor/Downtown Denver Transitway," within the context of the complete Downtown Area Plan Transit Proposal described above.

Furthermore, we urge RTD and UMTA to continue to work closely with the business community, through The Denver Partnership, to implement the entire scope of the Downtown Plan Transit Concept.

RESOLUTION OF THE DENVER PARTNERSHIP MANAGEMENT GROUP

WHEREAS, The Denver Partnership recognizes the critical importance of Rapid Transit Access to the future of Downtown Denver;

WHEREAS, the Downtown Area Plan for Downtown Denver was developed by a Steering Committee representing many interests, including those of The Denver Partnership, the Regional Transportation District Board of Directors and the City of Denver;

WHEREAS, the Downtown Area Plan, within its overall plan for improved access to Downtown, identifies the urgent need for a new rapid transit system that is compatible with both Regional and Downtown needs;

WHEREAS, this regional rapid transit system must provide both reduced travel time and superior access directly (without transfer) into the Downtown core, while ultimately accommodating at least 50,000 peak hour trips;

WHEREAS, the Regional Transportation District (RTD) has developed a plan and request for funding for the construction of a transitway on the North I-25 Corridor from 58th Avenue into Downtown Denver;

WHEREAS, the RTD Plan is compatible in concept with the initial phase of the Downtown Area Plan transit recommendations;

THEREFORE BE IT RESOLVED that The Denver Partnership Management Group supports the proposal and request for funding by RTD for the implementation of the "North I-25 Busway/HOV Corridor Project" within the context of the entire Downtown Area Plan Transit Proposal, which includes a staged implementatin of these core area elements of a regional system:

- continued use of the 16th Street Transit Mall and Transfer Stations consistent with both its transit and pedestrian objectives;

- a "through-service" transit/pedestrian mall on a "named street" through the core of Downtown, to carry a maximum of 20,000 riders at peak hour;

- and finally, a high capacity, "through-serice" grade-seperated transit line located in the 15th Street corridor of Downtown Denver.

BE IT FURTHER RESOLVED, that The Denver Partnership urges the Regional Transportation District to continue to work closely with the City of Denver and the downtown business community, through The Denver Partnership, in developing and refining strategies to implement the entire scope of the Downtown Area Plan Transit Concept for the benefit of Downtown, the City of Denver and the entire region.

Bruce M Rockwell
Bruce M. Rockwell, Chairman

April 15, 1996
Date

Mr. **Lehman**. Do you have another presentation?

Mr. **Pena**. Just to introduce some of the other members of the delegation here with me. To my right, William Rourke, Chairman of the Board of the Regional Transportation District. Also with us today is Dwight Bowers, representing the Colorado Department of Highways. He is Deputy Executive Director; and Davis Basket, who is Assistant Director for the Regional Transportation District, and Mr. Chester Colby, General Manager for the Regional Transportation District. They are all here to answer questions you may have.

Mr. **Lehman**. Thank you all for being here.

As you know, we have to look over the details of your presentation. One of the things that you have going for you is that of the $119 million, about 52 percent of it is coming from the state and local governmental agencies, which is higher than most of these matching, dedicated sources of local revenues. Do you have any funding coming from any special taxing district or the private sector?

Mr. **Pena**. At this point, Mr. Chairman, we do not, although the Legislature has considered this session in fact, legislation which would allow the creation of taxing districts along various routes, but that legislation did not pass this year.

Mr. **Lehman**. You asked for the section 3 money. It could come out of new starts, or potentially out of the bus portion of the section 3, if there is some money. We have three categories, including new starts. You may be able to find some money in the bus portion of the section 3 money.

Mr. **Pena**. Let me have Mr. Colby respond.

Mr. **Colby**. We would be willing to accept this. This request is from the new start program. They are both in discretionary funds.

Mr. **Lehman**. We don't earmark buses. We do earmark new starts. When you earmark you compete in the buses. You might think about it anyway.

Mr. **Colby**. Yes, Mr. Chairman.

Mr. **Lehman**. I was wondering, have you figured out a way to prevent cheaters from getting into the HOV lanes?

Mr. **Pena**. There are no cheaters in Colorado. We thought that was common knowledge.

Mr. **Lehman**. We have these HOV lanes in Miami. There is no way they can pull anybody aside after getting in those HOVs without stopping traffic.

Mr. **Pena**. Again, let me have Mr. Colby respond.

Mr. **Colby**. We are working very closely with the highway department and law enforcement agencies. We kind of like the Houston principle where they turn them around and make them go clear to the end and give them a stiff fine at the same time.

Mr. **Lehman**. Lastly, I am sure you all realize the restraints Gramm-Rudman placed on the appropriations process. It continues to limit the amount of our discretionary commitments for this year, and it will be even worse next year. So we will do the best we can and I appreciate your presentation.

Mr. **Pena**. Thank you very much, Mr. Chairman, and Members of the Committee.

Mr. **Wolf**. I want to thank you for your testimony. Just a couple of quick questions.

Will they be reversible lanes?

Mr. **Pena**. Yes sir.

Mr. **Wolf**. Same lanes in the morning will be used in the evening coming out?

Mr. **Pena**. Yes sir.

Mr. **Wolf**. What will your definition of HOV be, four?

Mr. **Pena**. At this point, two lanes.

Mr. **Wolf**. How many people in a car?

Mr. **Pena**. Three or more.

Mr. **Wolf**. Have you decided three versus two? I think it is two in Miami, three around here on I-66, four on route 95. Why did you pick three?

Mr. **Pena**. It seems to be the best at this particular time, with the estimates of what the traffic will be in the future when we open.

Mr. **Rourke**. I believe the changeover occurs at noon in the morning, until noon. Then outbound from noon through the afternoon.

Mr. **Lehman**. Since Mr. Wolf is an expert on HOVs——

Mr. **Wolf**. Will you not use the road on weekends in the middle of the day?

Mr. **Colby**. Yes sir.

Mr. **Wolf**. You won't have any HOV on Saturday morning?

Mr. **Colby**. No, we will use it more like Shirley Highway. It is open on the weekends.

Mr. **Wolf**. Open on the weekends.

During the middle of the day then?

Mr. **Colby**. We have a significant amount of express and regional service from the northern part of the corridor for buses and the corridor is pretty much congested all day long at this time. We will be running at least 200 buses during the single rush hour in the morning and afternoon on this corridor. We have a significant amount of patronage from the Boulder and north corridor and U.S. 36 comes into I-25 north of the city, and that is one of our most successful areas of bus transit. It significantly reduces the travel time which makes it attractive. It is a corridor that is more to one destination with most of the destinations being the downtown area. That enables the public transit system to have greater opportunities to attract passengers.

Mr. **Wolf**. The same lanes that you go in on in the morning are they the very same lanes that you go out in the evening?

Mr. **Colby**. That is correct.

Mr. **Wolf**. What will you do on weekends? Will they go in or out?

Mr. **Colby**. I think timing would be a changeover at noon.

Mr. **Wolf**. No further questions.

Mr. **Lehman**. Thank you very much for being here and we will help you all we can.

Mr. **Pena**. Thank you very much, Mr. Chairman.

Mr. **Wirth**. Thank you, Mr. Chairman.

TUESDAY, APRIL 22, 1986.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION, FEDERAL RAILROAD ADMINISTRATION

WITNESS

WILLIAM CHECKLEY, NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS

Mr. **LEHMAN**. The National Association of Regulatory Utility Commissioners, Mr. Checkley.

You may summarize your statement and we will place it in the record in its entirety.

Mr. **CHECKLEY**. Mr. Chairman, distinguished Members of the Subcommittee, my name is William Checkley and I am a member of the Staff Subcommittee on Pipeline Safety of the National Association of Regulatory Utility Commissioners on whose behalf of I am testifying today. With me today is Karen L. Hochstein, National Association of Regulatory Utility Commissioners' Director of Congressional Relations.

We greatly appreciate your invitation to address the Subcommittee on Appropriations for the Department of Transportation's natural gas pipeline, rail, hazardous liquid pipeline and motor vehicle safety grants-in-aid programs for fiscal year 1987. Under these programs, federal grants-in-aid are provided to participating states on a matching basis of up to 50 percent of the state's total program costs. As a result, these national safety programs can be carried out at only a fraction of federal funding level that would otherwise be required. Since many of our members are current or potential participants in these programs, we are vitally concerned with their future.

The National Association of Regulatory Utility Commissioners is requesting that $6.8 million be appropriated for the natural gas pipeline program for fiscal year 1987. Since its enactment in 1968, this program has proven to be a model of federal-state cooperation. Forty-eight states, the District of Columbia and Puerto Rico partcipate in the natural gas program. However, the appropriations have fallen short of the 50 percent matching funds that the states need to ensure a continue high level of state participation.

In 1983, the states' requests for natural gas pipeline safety grants totaled $5,742,140 and in 1984 the request was $6,242,934 and in 1985 the request was $7,138,662. Unfortunately, the appropriations for this program were $3.5 million for FY 84 and $4.5 million for FY 85. With 331 gas pipeline failures resulting in 26 fatalities and 106 in 1985, there is obviously a great need for full 50 percent funding.

The hazardous liquid pipeline safety program, another federal-state partnership, is in its sixth year and funds have never been appropriated. With 19 states having jurisdiction for program eligibility and four states in the process of procuring jurisdiction through legislation, it is obvious that the states are ready to implement the program. The FY 86 budget reconciliation bill merges this program with the natural gas pipeline safety program, requiring that no less than five percent appropriated monies be spent on the hazardous liquid pipeline safety program. Nevertheless, it remains unclear as to how the Department of Transportation will fund the two programs as merged. Accordingly, the National Association of Regulatory Utility Commissioners urges that the hazardous liquid pipeline safety program be funded separately at $170,131 for fiscal year 1987.

I would next like to express National Association of Regulatory Utility Commissioners's concern that the FRA has abandoned its commitment to the rail safety program by again recommending that funding for this grant-in-aid program be eliminated. Currently 31 states are certified under the program and it is largely through the efforts of the state inspectors that railroad accidents have been reduced. Between 1980 and 1984, train accidents decreased 55 percent. It seems incomprehensible that at a time when the rail safety program is achieving the results which were hoped for at its inception, that the FRA is seeking its termination.

In our testimony we have provided the Congress with facts and figures from the states including the fact that many states have indicated that they would drop their rail safety program if federal funding is eliminated. The effects of rail safety will be felt nationwide as states are forced to leave the program.

The National Association of Regulatory Utility Commissioners submits that the true measure of the program's effectiveness is its savings in human lives and property since the rail safety program was created. We urge that the subcommittee appropriate $3.5 million for 1987 so that the program's contributions to rail safety can continue.

Finally, the National Association of Regulatory Utility Commissioners requests that the Subcommittee continue its efforts to promote motor vehicle safety by appropriating the full $50 million requested by Department of Transportation for the motor vehicle safety grant-in-aid program. We therefore request that the full $50 million requested by Department of Transportation be appropriated for this important program.

With new motor carrier size and weight standards mandated by law in 1982 permitting larger carriers to operate on our highways, safety is an ever increasing concern of the states. Moreover, the impending further deregulation of the motor carrier industry will require greater attention to commercial motor vehicle safety as entry is relaxed. We therefore request that the full $50 million requested by Department of Transportation be appropriated for this important program.

In concluding, we respectfully request that the Subcommittee continue its support for transportation safety by appropriating the full funding we have requested for these four programs in fiscal year 1987.

Thank you for your attention.

[The prepared statement of Mr. William Checkley follows:]

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION AND RELATED AGENCIES

TESTIMONY OF THE
NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS

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ON

APPROPRIATIONS FOR
U.S. DEPARTMENT OF TRANSPORTATION
SAFETY GRANTS-IN-AID PROGRAMS
FOR THE 1987 FISCAL YEAR

April 22, 1986

Summary of Testimony
on the
Appropriations for the U.S. Department of Transportation
Safety Grants-In-Aid Programs

* The National Association of Regulatory Utility Commissioners (NARUC) strongly urges that funding be appropriated for the natural gas and hazardous liquid pipeline, rail and commercial motor vehicle safety grants-in-aid programs, which provide for the implementation of Federally-mandated standards to improve our Nation's transportation safety.

* Under these four programs, Federal grants-in-aid are provided to participating States on a matching funds basis of up to 50 percent of the States' total program costs (80 percent for the motor vehicle program) thereby creating a uniform national safety program which is carried out at a fraction of the Federal funding level that would otherwise be required.

* Since its enactment in 1968, the natural gas pipeline safety program has proven to be a model of Federal-State cooperation; however, funding continues to be insufficient to meet the program's needs. The NARUC requests that $6.8 million be appropriated for this program for FY 1987.

* Although 19 States have jurisdiction and 4 States are in the process of procuring jurisdiction, the hazardous liquid pipeline safety program is in its sixth year without funding. In spite of the requirements of the Consolidated Omnibus Budget Reconciliation Act, which merges the natural gas and hazardous liquid pipeline safety programs and requires that no less than 5 percent of appropriated monies be spent on the hazardous liquid pipeline program, the NARUC urges that $171,131.00 be appropriated for the hazardous liquid pipeline safety program.

* The FRA has sought to undercut the rail safety program by requesting **no** funding for it in FY 1987 which will force many States to withdraw from the program and will increase the amount of money the Federal government will have to pay to assure the same level of safety enforcement activity. The NARUC requests that the State rail safety program be preserved through the appropriation of $3.5 million.

* With new 1982 motor carrier size and weight standards permitting larger carriers to operate on our highways, safety is an ever-increasing concern of the States. We urge that the full $50 million requested by the Administration be appropriated for the commercial motor vehicle safety program.

Mr. Chairman and distinguished Members of the Subcommittee:

I. Introduction

My name is William Checkley and I am a member of the Staff Subcommittee on Pipeline Safety of the National Association of Regulatory Utility Commissioners (NARUC) on whose behalf I am testifying today. With me today are Karen Hochstein, NARUC Director of Congressional Relations and Phyllis B. Levine, Assistant Director of Congressional Relations.

The NARUC is a quasi-governmental, nonprofit organization founded in 1889. Within our membership are the governmental agencies of the fifty States and the District of Columbia, Puerto Rico and the Virgin Islands engaged in the regulation of utilities and carriers. Our chief objective is to serve the consumer interest by seeking to improve the quality and effectiveness of public regulation in America.

We appreciate this opportunity to express our strong support for continued funding of the Department of Transportation's (DOT's) safety grants-in-aid program in Fiscal Year (FY) 1987. The natural gas and hazardous liquid pipeline, rail and commercial motor vehicle safety grants-in-aid program provides for the voluntary State implementation of Federally-mandated standards to improve our Nation's transportation safety by providng Federal grants-in-aid to participating States on a matching basis of up to 50 percent (80 percent for the motor vehicle safety program) of the States' total program costs. As a result, these national safety programs can be carried out at only a fraction of the Federal funding level that would otherwise be required.

The NARUC is vitally concerned with the future of these safety programs since our members include those State regulatory agencies which are current or potential participants in them. Therefore, we strongly oppose any effort to eliminate or reduce funding for the Federal grants offered to participating States for the programs.

II. Natural Gas Pipeline Safety Grants-In-Aid Program

Since its enactment in 1968, the natural gas pipeline safety grants-in-aid program1 has proved to be a model of Federal-State cooperation in its efficient implementation of gas pipeline safety standards. As administered through the Research and Special Programs Administration of the DOT (RSPA), the pipeline safety program provides up to 50 percent in matching funds to assist participating States in enforcing gas pipeline safety regulations. While the Federal-State partnership in this program has worked effectively, funding in the past has been insufficient to provide the full 50 percent matching funds authorized by law. The NARUC strongly believes that full 50 percent funding is important to the program's continued success, especially since the number of Federal safety standards violations discovered by State inspectors has continued to increase.

In 1986, 48 State agencies, the District of Columbia and Puerto Rico are participating in this program.2 While the high

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1 49 U.S.C. 1671.

2 See Appendix A for a list of participating States (Idaho lost its inspectors and had to drop out of the program).

level of State participation has continued, the funding needs have changed. In 1983, the States' requests for grants totalled $5,472,140, while for 1986 the requests totalled $6,816,293.

Congress raised the appropriations for FY 1985 one million above the $3.5 million that was appropriated for FY 1983 and 1984. However, the monies still fall short of 50 percent matching funds. This year only 26 States are receiving the full 50 percent of their safety program costs.[3] Without full matching funds, the gas pipeline safety program will suffer.

Federal funds allocated to this program have been put to effective use, permitting many States to establish and perfect State-level pipeline safety activities, as well as to finance personnel training, salary and equipment expenses. The States have further demonstrated their commitment to this program by contributing over 95 percent of the national safety inspection effort. However, the safety risks which this program is designed to minimize are substantial. Gas and hazardous liquid pipelines in the United States total approximately one and three-quarter million miles and transport more than half of the nation's energy supply. These pipelines carry large quantities of extremely volatile substances, often under high pressure, and expose large segments of the population to risks of potentially catastrophic proportions.

In 1983, despite Federal-State inspection efforts, there were 1,580 gas pipeline failures, resulting in 12 fatalities and

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[3] See Appendix A.

245 injuries. In 1984, there were 1,071 gas pipeline failures resulting in 35 fatalities and 239 injuries. In 1985, there were 331 gas pipeline failures resulting in 26 fatalities and 106 injuries. What is particularly important to remember in looking at any of the DOT's statistics on the number of gas pipeline incidents and casualties reported is that substantive changes to the incident reporting requirements became effective July 1, 1984.[4] For example, operators must now report incidents resulting in losses of $50,000 or more; whereas, the reportable incident figure before July 1, 1984 was $5,000 or more. This change in particular means that fewer incident reports are being received by the DOT, and therefore, it is impossible to make a meaningful comparative analysis of the reported incident data.

It is also imperative to remember that the State inspectors are in the business of preventing incidents, not just addressing a problem after the fact. As proof of the States' efforts to prevent incidents, State inspectors found 16,500 violations of Federal safety standards in 1983, 17,809 in 1984, and 16,018 in 1985.

What the NARUC and its member State commissions wish to impress upon the members of the Subcommittee today is that while we have seen many positive results from the Federal-State gas pipeline safety program, the program still has a lot of work ahead as long as safety violations continue. With full 50 percent matching funds, perhaps we can see the number of Federal safety standard violations decline with a corresponding decrease in the number of fatalities and injuries. Safety is not an area for trimming the budget.

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[4] 49 Fed. Reg. 18956 (May 3, 1984).

The natural gas pipeline safety program is working and is an excellent example of the ability of the Federal and State governments to cooperate in protecting the public health and safety. The continued overwhelming State participation indicates the States' belief in the program's effectiveness. We urge the members of the Subcommittee to support the States' safety efforts by appropriating $6,816,293 for the Natural Gas Pipeline Safety Grants-In-Aid Program.

III. Hazardous Liquid Pipeline Safety Grants-In-Aid Program

The hazardous liquid pipeline safety program, authorized by Section 205 of the Hazardous Liquid Pipeline Safety Act of 1979[5] is a Federal-State partnership for enforcing intrastate liquid pipeline safety. However, the program is in its sixth year and funds have never been appropriated. Presently, 19 States have jurisdiction for program eligibility through legislation and four States are seeking legislation to provide them with jurisdiction.[6] Once again, however, the DOT budget request for FY 1987 does not include funding for the hazardous liquid pipeline safety program. If this program is to become viable, adequate funds must be appropriated by Congress.

The NARUC has historically sought funding for this program.

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[5] 49 U.S.C., Sec. 2001.

[6] See Appendix B for a list of these States.

In 1983, 1984 and 1985, the NARUC requested that $1 million in start-up funds be provided for implementation of the hazardous liquid pipeline safety program; however, no funds were appropriated. Instead, language was included in H.R. 3128, the Consolidated Omnibus Budget Reconciliation Act of 1986, (signed into law by the President as P.L. 99-272 on April 7, 1986), merging the natural gas and hazardous liquid pipeline safety programs and requiring that no less than 5 percent of the monies appropriated to the merged programs be spent on hazardous liquid pipeline safety.

In spite of the requirements of the reconciliation bill, it remains unclear how DOT will be able to fund the programs as merged. We respectfully request that the hazardous liquid pipeline safety program continue to be funded separately at $770,131.00. This amount is based upon grant requests received from the six States actively participating in the program in 1986.

The Federal minimum safety standards for hazardous liquid pipelines are now applicable to intrastate facilities. However, the States are now required to apply Federal regulations for the enforcement of intrastate safety measures without money for implementing this enforcement. The States have an interest in this program and now have the regulations available to make it work. With adequate funding, the hazardous liquid pipeline safety program could play a vital role in pipeline safety.

The DOT reported that in 1984 there were no fatalities and 19 injuries caused by 203 hazardous liquid pipeline accidents. For 1985, the DOT reported there were five fatalities and 18 injuries caused by 190 hazardous liquid pipeline accidents. An important point to make about these numbers is that there were no reporting requirements for intrastate hazardous liquid pipelines for 1984 or 1985. These statistics are only from records on interstate hazardous liquid pipelines accidents. As with the gas pipeline safety program, the NARUC wishes to emphasize that the major goal of this program is the prevention of accidents. We strongly urge the Congress to help untie the hands of the State safety inspectors enforcing Federal safety standards for intrastate hazardous liquid pipelines by ensuring adequate funding for the hazardous liquid pipeline safety grant-in-aid Program.

IV. Railroad Safety Grants-In-Aid Program

The NARUC is deeply concerned that the FRA has abandoned its commitment to the railroad safety grant-in-aid program, authorized by Section 206 of the Federal Railroad Safety Act of 1970[7], by again recommending that funding for the program be eliminated in the coming fiscal year.

Currently, agencies in 31 States are certified under this program, evidencing their obvious commitment to assuring railroad safety.[8] The number of inspectors has also increased from 92 in 1982, to 100 in 1983, and to 104 in 1984. As a result, each year the Nation's rail system destroys fewer lives and causes less property damage. Between 1980 and 1984, train accidents decreased

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[7] 45 U.S.C., Sec. 435.

[8] For a list of the participating States, see Appendix C.

55.5 percent, or 46.7 percent when normalized by train miles, railroad injuries declined 38.2 percent; railroad fatalities were reduced 12.1 percent; and grade crossing accidents declined by 25.3 percent.[9]

Without Federal matching funds, budgetary restrictions may force many of our member agencies to reduce their level of participation or withdraw from the program entirely. States that may be able to continue operating a limited State rail program may lose their incentive to cooperate with Federal safety efforts. Any Federal cut-backs will reverse the trend toward safer railways which directly correlates with active State involvement in safety enforcement efforts and will increase the resources the Federal government will have to provide if required to completely fund the program.

With 300,000 miles of railways and 1.7 million freight cars, this Nation cannot afford to curtail its rail safety program. In recognition of this fact, Congress has consistently appropriated monies for the program ignoring Administration requests for no funding.

This year the Administration has been particularly insistent in its attempts to eliminate this important program by failing to release any of the monies appropriated by Congress for the program for FY 1986. Inquiries by many of our members to the FRA have proven unsuccessful. States are being forced to rely on the dubious "good faith" of FRA that the FY 1986 funds will be released. In addition to urging the FRA to release the FY 1986 matching funds to the States, we respectfully request that the Subcommittee reiterate its support for this important program by approving $3.5 million in funding for FY 1987 in order to continue Federal funding of the railroad safety grant-in-aid program.

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[9] Testimony of John H. Riley, FRA Administrator, before the Subcommittee on Transportation of the House Committee on Appropriations on April 2, 1985.

V. Commercial Motor Vehicle Safety Grants-In-Aid Program

As part of the Surface Transportation Assistance Act of 1982, signed into law by the President on January 6, 1983 (P.L. 97-424), Congress authorized the motor carrier safety program, which provides matching Federal funds of up to 80 percent of a participating State's program costs. The amount authorized is to rise by $10 million annually until it reaches $50 million in 1988.

Administered by the Federal Highway Administration's (FHA's) Bureau of Motor Carrier Safety, the transportation safety program's effectiveness is monitored by FHA division offices located in each qualifying State. For FY 1984, safety grants were approved for 40 States, Guam and Samoa, and Congress appropriated $8 million for this program in 1984 out of an authorized $10 million.

For FY 1985, the number of safety grants that were approved increased to 49, which includes both States and U.S. territories. Congress appropriated $17 million for this program out of an authorized $20 million for FY 1986.

The FY 1987 DOT budget properly emphasizes the importance of commercial motor vehicle safety by requesting $50 million for the

State safety grants-in-aid program.

Motor carrier safety is of ever-increasing concern to the States. The new carrier size and weight standards mandated by the Surface Transportation Act of 1982 permit larger carriers to operate on our highways. Moreover, the impending further deregulation of the motor carrier industry will necessitate heightened attention to commercial motor vehicle safety as entry is relaxed. DOT's proposed FY 1987 budget request of $50 million for this program will enable State agencies to better perform their obligations under the commercial motor vehicle safety program. We respectfully urge the Subcommittee to continue to promote commercial motor vehicle safety by appropriating the full $50 million requested by DOT for the commercial motor vehicle safety grant-in-aid program.

VI. Conclusion

The advantages of the Federal-State partnership for enforcing transportation safety regulation--the dollars saved in potential property damage and the immeasurable value in protecting lives--are adequate justification for full funding of the natural gas pipeline, rail, hazardous liquid pipeline and commercial motor vehicle safety programs. However, these programs share an additional beneficial feature in that the financial burden is shared by both the Federal and State governments. In this time of necessary budgetary restraint, such an arrangement is practical and efficient. The alternative is to eliminate all funding, which places at risk the continuation of these important safety programs. Without these programs, the Federal government is responsible for 100 percent of the cost of rail, motor carrier and pipeline safety; with the programs the States are helping to subsidize these Federal costs. The Federal spending requested herein will ensure the existence of a comprehensive safety plan worth twice that amount. We urge the Subcommittee to make available the funds to accomplish this eminently sensible goal.

Appendix A

1985 PIPELINE SAFETY GRANT ALLOCATIONS

STATE	GRANT NO.	REQUEST	ALLOCATION	% OF FUNDING
AL	DOT-GB-50001	$ 301,479	$ 142,216	23
AZ	DOT-GB-50002	$ 315,395	$ 140,202	22
AR	DOT-GB-50003	$ 71,857	$ 71,857	50
CA	DOT-GB-50004	$ 262,500	$ 111,989	21
CO	DOT-GB-50005	$ 71,655	$ 71,655	50
CT	DOT-GB-50006	$ 61,500	$ 61,500	50
DE	DOT-GB-50007	$ 10,520	$ 10,520	50
FL	DOT-GB-50008	$ 46,086	$ 46,086	50
GA	DOT-GB-50009	$ 101,500	$ 89,950	44
HI	DOT-GB-50010	$ 12,500	$ 12,500	50
IL	DOT-GB-50011	$ 173,870	$ 130,913	37
IN	DOT-GB-50012	$ 69,925	$ 69,925	50
IA	DOT-GB-50013	$ 68,900	$ 68,900	50
KS	DOT-GB-50014	$ 105,449	$ 98,381	46
KY	DOT-GB-50015	$ 198,923	$ 118,484	29
LA	DOT-BG-50016	$ 451,646	$ 172,887	19
ME	DOT-GB-50017	$ 13,375	$ 13,375	50
MD	DOT-GB-50018	$ 33,967	$ 33,967	50
MA	DOT-GB-50019	$ 118,440	$ 89,242	37
MI	DOT-GB-50020	$ 96,147	$ 96,147	50
MN	DOT-GB-50021	$ 93,868	$ 93,868	50
MS	DOT-GB-50022	$ 99,757	$ 99,757	50
MO	DOT-GB-50023	$ 123,512	$ 106,643	43
MT	DOT-GB-50024	$ 44,220	$ 44,220	50
NE	DOT-GB-50025	$ 57,710	$ 57,710	50
NV	DOT-GB-50026	4 26,739	$ 26,739	50
NH	DOT-GB-50027	$ 33,185	$ 33,185	50
NJ	DOT-GB-50028	$ 165,215	$ 110,907	33
NM	DOT-GB-50029	$ 118,850	$ 116,875	49
NY	DOT-GB-50030	$ 980,055	$ 334,680	17
NC	DOT-GB-50031	$ 107,221	$ 107,221	50
ND	DOT-GB-50032	$ 18,909	$ 18,909	50
OH	DOT-GB-50033	$ 177,815	$ 127,734	35
OK	DOT-GB-50034	$ 105,585	$ 100,184	47
OR	DOT-GB-50035	$ 49,187	$ 49,187	50
PA	DOT-GB-50036	$ 205,660	$ 117,411	28
RI	DOT-GB-50037	$ 58,358	$ 58,358	50
TN	DOT-GB-50038	$ 132,440	$ 121,555	45
TX	DOT-GB-50039	$1,255,579	$ 430,108	17
UT	DOT-GB-50040	$ 40,370	$ 40,370	50
VT	DOT-GB-50041	$ 30,435	$ 30,435	50
VA	DOT-GB-50042	$ 88,997	$ 82,500	46
WA	DOT-GB-50043	$ 44,150	$ 44,150	50
WV	DOT-GB-50044	$ 136,475	$ 122,623	44
WI	DOT-GB-50045	$ 131,094	$ 112,169	42
WY	DOT-GB-50046	$ 124,846	$ 109,210	43
DC	DOT-GB-50047	$ 81,121	$ 81,121	50
PR	DOT-GB-50048	$ 21,475	$ 21,475	50
TOTAL		$7,138,662	$4,450,000	31

NOTE: THE "REQUEST" REPRESENTS 50% OF THE STATE'S ESTIMATED BUDGET. THE "% OF FUNDING" IS THE PERCENTAGE OF THE BUDGET REPRESENTED BY THE ALLOCATION.

Appendix B

HAZARDOUS LIQUID PIPELINE SAFETY PROGRAM

SUMMARY

States With Jurisdiction	States Seeking Jurisdiction
Texas	Louisiana
California	Alabama
Wyoming	Washington
Pennsylvania	Wisconsin
Kansas	
New Mexico	
Montana	
Ohio	
North Dakota	
Arkansas	
Arizona	
New York	
Iowa	
Nevada	
Hawaii	
West Virginia	
Oregon	
Oklahoma	
Mississippi	
19	4

Appendix C

RAILROAD SAFETY GRANTS-IN-AID:
NUMBER OF STATES AND
PARTICIPATING INSPECTORS AS
OF FEBRUARY 1, 1984

State	Track Inspectors	Motor, Power and Equipment (MPE) Inspectors	Operating Practices Inspectors	Signals and Train Control Inspectors	Total
Alabama	2	2			4
Arizona	1(1*)	1	1		4
California	2	1			3
Connecticut	1				1
Florida	2	2			4
Illinois	4				4
Iowa	3				3
Kansas	1				1
Louisiana	1				1
Maryland	1(2*)	2(1*)	1		7
Michigan	4				4
Minnesota	1				1
Missouri	3				3
Montana	1				1
Nebraska	1	1			2
Nevada	1				1
New Hampshire	1				1
New Jersey	1(1*)				2
New Mexico		1			1
New York	3	3(3*)			9
North Carolina	2	1			3
Ohio	3	4			7
Oklahoma	2				2
Oregon	2	2			4
Pennsylvania	4	3			7
South Carolina	1	1			2
Tennessee	2	2	1		5
Texas	3	2	3		8
Utah	1	1			2
Virginia	2				2
Washington	2	2	1	1	6
West Virginia	2(1*)	3	-	-	6
TOTAL (32 States)	65	38	7	1	111

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*denotes non-federally funded

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CRITERIA FOR STATE ACCIDENT SAMPLE

General:

An attempt was made to choose two groups of six States each: a) States participating and b) nonparticipating States (as defined below) which in 1979 had comparable accident totals for track and equipment-related accidents.

Purpose:

To determine if the number of accidents attributed to track and/or equipment problems declined at different rates for participating vs. nonparticipating States.

Definitions:

Participating States--States of long-term participation and the FRA/State Participation Program fully, or nearly fully, certified in track and equipment inspection programs.

Nonparticipating States--States which do not or have participated only for a short period of time.

STATE ACCIDENT SAMPLE

TRAIN ACCIDENTS BY STATE, BY CAUSE

Participating States	1979		1982	
	T	E	T	E
Florida	58	22	8	8
New York	130	65	55	33
Ohio	198	86	72	38
Oregon	30	36	20	40
Pennsylvania	331	104	96	40
Washington	63	45	21	7
	810	358	272	166

T = 66.4 percent reduction
E = 53.6 percent reduction

Nonparticipating States	T	E	T	E
Arkansas	61	29	29	17
Indiana	130	51	58	32
Kentucky	151	61	57	15
South Dakota	27	6	25	5
Texas	297	117	183	80
Wyoming	22	24	15	16
	688	288	367	165

T = 42.2 percent reduction
E = 42.7 percent reduction

Source: Accident/Incident Bulletins Nos. 148 and 151, Federal Railroad Administration, 1980 and 1983.

Mr. **Lehman**. Do you have additional testimony?

Ms. **Hochstein**. I am with him.

Mr. **Lehman**. I want to thank you for your testimony.

I just have one question that deals with the testimony of Mr. Riley from FRA. He indicated that most states would want to fund these inspections even if the federal program were eliminated. Do you think that is a fact of life that this would happen, because after all somebody has to pick up the pieces?

Mr. **Checkley**. Well, perhaps they will; I don't want to speak with any knowledge on that. I do know that we have lots of states already for our pipeline safety program, and that hasn't—it has been restricted but not cut back.

Mr. **Lehman**. If you can find out something about what is happening on FRA federal railway inspectors and on the state level, could you let this committee know? We would appreciate it.

Mr. **Checkley**. Thank you, Mr. Chairman.

Mr. **Lehman**. Mr. Coughlin.

Mr. **Coughlin**. No questions.

Mr. **Durbin**. I would like to ask the witness why his organization opposes what we did in the Reconciliation Act, which merged the natural gas and hazardous liquid pipeline safety programs.

Mr. **Checkley**. Well, initially it was thought that the pipelines, the natural gas pipeline program would suffer as a result. However, apparently that hasn't been the case, but there hasn't been any monies provided for the liquid program. That is a concern since a number of states have been progressing with their hazardous liquid programs and some more states will qualify to enforce the federal program.

Mr. **Durbin**. I can understand your concern about funding levels. That is, of course, this committee's major jurisdictonal responsibility. But from the standpoint of administering these programs, what is wrong with combining those two grants programs?

Mr. **Checkley**. Quite frankly, I can't speak on behalf of the National Association of Regulatory Utility Commissioners. From a personal standpoint, I believe that it is well to have them joined and the state regulatory pepole feel that way, too. We have a dual role, we have a national organization safety regulator and most of us, or a good number of us, are members of National Association of Regulatory Utility Commissioners subcommittee on pipeline safety.

Mr. **Durbin**. Your concern is funding?

Mr. **Checkley**. Our concern is funding, yes.

Mr. **Durbin**. Thank you.

Mr. **Lehman**. Thank you.

[The following information was provided for the record:]

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April 28, 1986

The Honorable William Lehman, Chairman
Subcommittee on Transportation
House Committee on Appropriations
2358 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Lehman:

On April 22, 1986, the National Association of Regulatory Utility Commissioners (NARUC) testified in support of Fiscal Year (FY) 1987 appropriations for four State safety grants-in-aid programs.[1] Following our prepared statement, you requested that we provide the Subcommittee with information demonstrating the impact upon continued State participation in the rail safety program if Federal matching funds are eliminated.

The rail safety program, authorized by Section 206 of the Federal Railroad Safety Act of 1970, 45 U.S.C. Sec. 435, provides matching funds of up to 50% to participating States. Largely through the efforts of State inspectors, this program has ensured that the Nation's rail system destroys fewer lives and causes less property damage at significant savings to the Federal government than would obtain absent State participation in the program.

In 1984 the NARUC Staff Subcommittee on Railroad Safety conducted a survey (Appendix A), of the State participants in the rail safety program. Three-quarters of the 24 respondents indicated that they would either drop out of the program or drastically reduce the number of State inspectors.

The inability of States to participate in the program without

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[1] The National Gas Pipeline Safety Program and the Hazardous Liquids Pipeline Safety Program, administered by the Department of Transportation's (DOT's) Research and Special Projects Administration (RSPA), the Commercial Motor Vehicle Safety Program, administered by the Federal Highway Administration (FHA) and the Railroad Safety Grants-in-Aid Program, administered by Federal Railroad Administration (FRA).

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Robert N. Guido, New Jersey BPU
Peter G. Boucher, Connecticut
Robert O. Wells, North Carolina
Frank Fischl, Pennsylvania

*Member of the Executive Committee of the Association.

adequate matching funds is demonstrated by the decline in State inspectors from 32 in 1984 to 31 in 1985. Without any Federal matching funds for FY 1987, this trend will be borne out on a much larger scale.

The FRA has correctly pointed out that the emphasis on deficit reduction requires the judicious expenditure of scarce Federal dollars. Thus, the FRA would eliminate all Federal grants-in-aid to the States under the rail safety program. The FRA justifies this decision by improperly asserting that State agencies will continue to participate in the program without Federal matching funds. However, the elimination of Federal matching funds will halt State participation in this important and effective program. Instead of conserving scarce dollars, the elimination of grants to the States will drain the Federal government of financial resources as it finds itself paying for 1) the costs of decreased rail safety and 2) the replacement of State inspectors with Federal inspectors.

Each year the FRA testifies that the States will continue to participate in the rail safety grants-in-aid program if Federal funding is eliminated. The NARUC study demonstrates that this assertion is simply unfounded.

The FRA's ill-conceived abandonment of rail safety amounts to short-term budget trimming at great future expense to the Nation. It is also unwise public policy.

Accordingly, we respectfully urge the Subcommittee to support rail safety through State participation in the grants-in-aid program by appropriating $3.5 million for FY 1987.

Sincerely,

Wilfred Checkley
Wilfred Checkley
Maryland Public Service Commission

Paul Rodgers
General Counsel

Karen L. Hochstein
Karen L. Hochstein
Director of Congressional
Relations

WC/PR/KLH:aa
Enclosure

Appendix A

Questionnaire
State Rail Safety Participation Program

1. State ______________________
   Agency ______________________

2. Please describe extent of your participation in the state participation program for rail safety.

3. What are the sources of the state's share of funding for this program?

   13 Dedicated funds (from the railroads) - AL, IL, KS, MO, NH, OH, PA, TN, VA, WA, WV, SC

   11 Other sources? - AZ, CA, MI, MT, NE, NC, NV, NM, OK, TX, UT

   ___ Combination of sources? - (What percentage and sources?)

   24

4. If federal funding for state participation is eliminated and you continue in the program with state funds, would you have to assess railroads operating in your state at a higher level than currently?

15 yes - CA, IL, KS, MO, NH, OH, OK, OR, PA, VA, UT, WA, WV, AL, SC

5 no - MI, MT, NE, NV, NM

4 no answer - AZ, NC, TN, TX

24

Need Legislative Approval

yes - AZ, IL, KS, NE, NV, NM, OK, OR, VA, WA

no -

Could Expect Legislative Approval

yes

no - IL

5. Does your legislature meet annually or biannually?

16 Annual - AZ, CA, IL, KS, MI, MO, NM, OH, OK, PA, TN, VA, WA, WV, AL, S

8 Biannual - MT, NE, NV, NH, NC, OR, TX, UT

24

legislative sessions, does your state have a system to provide needed funds during the budget period?

12 - yes: AZ, CA, KS, MO, NE, NV, NH, OH, OR, PA, VA, WA

12 - no: IL, MI, MT, NM, NC, OK, TN, TX, UT, WV, AL, SC

24

7. What is the size of your current rail safety program?

	State Participation	Other
Total personnel? -	——	——
Number of inspectors (field personnel)? -	88	132
Number of managers? -	*	*
Number of office employes (clerks, secretaries, etc.)? -	*	*

* Generally state managers and clerical personnel are shared between programs.

8. What safety areas do you participate in currently?

	Yes/No	Number of Inspectors
a. FRA Program:		
Track	21	53* (1)
Equipment	14	27
a. Freight Car -		18
b. MP & E -		12
Operating practices	3	5* (2)
Signal and train control	1	1* (2)
Hazardous materials		
b. State Programs:		132
Clearances		
Walkways		States generally use multi-discipline personnel in these program areas.
Sanitation		
Crossings		
Operations		
Hazardous Materials		
Other - (identify)		

* indicates number of states planning to expand into additional safety areas if federal funding continues.

9. What effect would the following actions have on your program:

Federal funds reduced by 50% 100%

Analysis:

INSPECTORS

7 States planning to stay in program regardless of funding.
AZ - 4, NH - 1, VA - 2

8 States that would reduce inspector levels if funding eliminated-
Inspectors to be retained.
NC - 1, TX - 6, NV - 1

5 States planning to keep inspectors but refuse to cooperate with FRA
TN - 5

20 Confirmed inspector positions if funding is eliminated.

26 States uncertain of continued participation if funding is eliminated.
IL - 4, KS - 1, NE - 2, MO - 3, OH - 7, OK - 2, PA - 7

States that would reduce inspector levels if funding cut 50%.
CA - 1, NC - 1, OR - 2, TX - 3, WA - 3, WV - 3

5 States that would reduce but not drop program if funds eliminated.
TX - 5

37 States that would drop program if funding eliminated.
AL - 4, CA - 3, MI - 5, MT - 1, NV - 1, NM - 1, NC - 2, OR - 4,
UT - 2, WA - 6, WV - 7, SC - 1

68

88 Total inspector positions reported - 23 states.

23% Inspectors likely to be retained if funding eliminated.

77% Inspectors likely to be lost if funding eliminated.

States reporting different inspector levels than reported in FRA's.
February 7, 1984 Report

IL - 1 less than FRA report, 2 less than authorized by program regulation
OH - 1 less than FRA report.
PA - 1 more than FRA report.
WV - 3 more than FRA report.

10. Has your agency developed a strategy or taken a policy stand in the event federal funds are: (1) reduced or (2) eliminated? Please describe.

14 yes - AL, CA, NE, NV, NH, NM, NC, OH, OR, PA, TN, TX, VA, WV

10 no - AZ*, IL, KS, MI, MO, MT, OK, UT, WA, SC

24

* State responses varied; however, generally there is much uncertainty regarding the state legislatures providing 100% state funds for a program the states see as a federal responsibility.

11. If federal funds were reduced or eliminated, do you feel states should regard the program as a 50/50 partnership?

3 yes
1 uncertain
20 no
24

Would you consider FRA a senior partner?

Yes - NM, VA, WV No - AL, AZ, CA, IL, KS, MI, MO, MT, NE, NV, NH, NC, OH, OK, OR, TN, TX, UT, WN, SC

18 yes
1 uncertain
5 no
24

Would you consider the partnership terminated?

Yes - AL, CA, IL, KS, MI, MO, MT, NE, NV, NA, OH, OK, OR, TN, TX, UT, WN, SC

No - AZ, NM, NC, VA, WV

Uncertain - PA

12. If federal funds were reduced or eliminated, would you exercise the same degree of cooperation with FRA as under the present 50/50 funding?

3 yes
21 no
24

Yes - AZ, NM, WV

No - CA*, IL*!, KS, MI, MO, MT, NE, NV, NH, NC, OH, OK, OR, PA!, TN, TX, UT, VA*, WN, AL, SC

* concentrate on state priorities

! some cooperation may be necessary - IL, PA

13. If federal funds are reduced or eliminated, do you feel rail safety on a national scale will be affected? If so, how?

24 yes - AZ, CA, IL, KS, MI, MO, MT, NE, NV, NH, NM, NC, OH, OK, OR, PA, TN, TX, UT, VA, WN, WV, AL, SC

0 no

24

State Comments

FRA does not have adequate staff to cover states that would drop out.
States provide better coverage, are quicker to respond and do it with less paper.
Reduce coordination between states and FRA.
If FRA increases staff to compensate for reduced state inspectors, federal costs would increase.
States have proven themselves and contributed to rail safety.
With reduced inspection, railroads would reduce standards of maintenance.
Loss in uniformity if the states do operate on their own.

14. Do you feel the existence of rail safety programs in adjacent states has a positive effect on rail safety in your state?

22 yes - AZ, CA, IL, KS, MI, MO, MT, NE, NV, NH, NM, NC, OH, OK, OR, PA, TX, UT, VA, WN, AL, SC

1 no - WV

1 no answer - TN,

24

State Comments

Better continuity, uniformity and safety in the nation's rail system.
Each state's rail safety program helps reinforce adjacent states, especially with equipment since it moves from one state to another.

15. Do you feel that FRA has done a satisfactory job in rail safety? Please explain your answer to each question.

Rulemaking?	Yes - HN, OH, VA, NA, TX	No - AZ, CA, IL, KS, MI, MO, NE NV, NC, OK, OR, PA, TN, UT, WA, WV, AL, SC
Administration?	Yes - KS, NC, PA, TN, VA, WA, NA, TX, SC	No - AZ, CA, IL, MI, MO, NE, NV, NH, OH, OK, OR, UT, WA, AL
Field inspection?	Yes - AZ, KS, MI, NH, OH, VA, SC	No - CA, IL, MO, NE, NV, NC, OK, OR, PA, TN, UT, WA, WV, TX
Assistance to states?	Yes - KS, MO, NH, PA, TN, VA, SC	No - AZ, CA, IL, MI, NE, NV, NX OH, OK, OR, UT, WA, WV, T
Cooperation/Management?	Yes - AZ, IL, KS, NH, NC, OH, PA, TN, VA, WV, TX	No - CA, MI, MO, NE, NV, OK, UT, WA, AL, SC
Training/Technical Assistance?	Yes - CA, IL KS, MI, MO, NV, NH, NC, OH, OR, PA, VA, WA, WV, TX, SC	No - AZ, NE, OK, TN, UT

Did not answer due to lack of program experience - MT, NM

16. Do you feel FRA's present staff and activity level is adequate? No - AZ, CA, MO, NE, WA

5 no
19 yes
24

With state participation? Yes - IL, KS, MI, MT, NV, NH, NM, NC, OH, OK, OR, PA, TN, TX, UT, VA, WV, AL, SC

Without state participation?

Yes

No - AZ, CA, IL, KS, MI, MO, MT, NE, NV, NH, NC, OH, OK, OR, PA, TN, TX, UT, VA, WA, WV, AL, SC

No answer - NM

0 yes
23 no
1 no answer
24

17. Were you recently surveyed regarding the Federal/State Participation Program?

12 Yes - AL, CA, IL, MT, NV, NC, OK, OR, TX, WA, WV, SC

1 No - surveyed by NARUC - OH

11 No - AZ, KS, MI, MO, NE, NH, NM, PA, TN, UT, VA

24

TUESDAY, APRIL 22, 1986.

AMTRAK
URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESSES

OLE M. BERGE, CHAIRMAN, RAILWAY LABOR EXECUTIVES' ASSOCIATION, AND PRESIDENT, BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES

J.R. SNYDER, LEGISLATIVE CHAIRMAN, RAILWAY LABOR EXECUTIVES' ASSOCIATION AND NATIONAL LEGISLATIVE DIRECTOR, UNITED TRANSPORTATION UNION

WILLIAM G. MAHONEY, ESQ., COUNSEL TO RAILWAY LABOR EXECUTIVES' ASSOCIATION

Mr. LEHMAN. Mr. Berge, will you start off?

Mr. BERGE. Thank you, Mr. Chairman.

We appreciate this opportunity to present to you our opposition to the loss of rail passenger service in the United States and to the crippling of our urban mass transit system program which has been eminently successful for over two decades. We submit that the AMTRAK appropriation must be maintained at $606 million and that the urban mass transit appropriations simply must not be decimated. I would also like to submit for the record a separate statement relating to rail safety appropriations.

I would like first to discuss the loss of AMTRAK. I say loss advisedly because anything less than AMTRAK's essential appropriation of $606 million would mean cuts in maintenance and operations that would render AMTRAK incapable of long term operation without huge additional infusions of capital in future years.

AMTRAK has proved its worth. It has been worth the investment made in it by the employees and the unions and the taxpayers. It has surpassed expectations in its performance over the past few years and its future would look bright except for the annihilation proposed for it by the administration.

The clear, simple economics of public passenger transportation compel a single universal conclusion: without massive federal aid, both direct and indirect, to each mode of passenger transportation, none could exist. If full federal aid to the airlines, including tax revenues lost because of tax deductions for business travel and the cost of the federal airways system, were considered in determining cost to the taxpayer, each airline passenger costs the government $42, while each AMTRAK passenger costs $32.

According to information issued by AMTRAK, some 21,000 AMTRAK employees would be put out of work should AMTRAK shut down, as well as about 4,200 employees of other railroads who perform services for AMTRAK. The loss of these employees will remove some $100 million annually from U.S. income tax revenues and $524 million from the revenues of those 44 states in which they work and live: as much as $85.8 million from Pennsylvania; $56.7 million from New York; $55.9 million from Maryland; $52 million from New Jersey, and so on. The removal of this large number of employees from the payroll of the railroad industry will have a significant adverse impact upon the railroad retirement system which the Congress very recently and successfully strove to place in a financially viable, but at the same time financially delicate posture. In the very near future it will have removed some $3.9 billion from the railroad retirement trust fund which provides income to 1 million beneficiaries.

What will be the net effect upon the deficit if we junk AMTRAK? The administration hasn't told us. The administration said AMTRAK would cost $8 billion over the next decade, a seemingly exaggerated figure, since AMTRAK has cost but $7.9 billion over the past 16 years, and if the present needed appropriation was frozen for ten years it could cost about $6.6 billion.

However, the Commission has not stated the amount of tax revenue loss the government would suffer without AMTRAK and that that is the crucial figure. For all we know, the cost savings and revenue loss will be equal or nearly equal, and we will no longer have a rail passenger network. The adverse effects on the quality of life in this country would be much greater than any money loss involved.

One must face and answer the question whether the deficit reduction, if any, is sufficient to deprive ourselves forever of an efficient dependable rail passenger service which over 20 million people now use each year and their numbers grow annually. We must answer that question in the negative. Certainly, neither the administration nor anyone else has provided supportive reasons for answering otherwise.

Another proposal of the administration is to cut by 25 percent to 40 percent the funds given to urban mass transit in this country. The Congress decided in 1984 that substantial aid to urban mass transportation systems in this nation was essential. Privately owned transit systems were not economically feasible, they could never pay their way through the fare box; local governments alone simply did not have the financial resources adequate to subsidize mass transit; and, without mass transit our metropolitan areas, which continually grow in number and size, would choke to death in their own smog and immobility. The need was particularly acute for those of our citizens who for financial or other reasons, simply could not get to and from work without public transportation. That situation has not changed.

To cut 25 percent to 40 percent from the federal aid provided to this nation's 22 year program of mass transit assistance would force the shutdown of a number of systems and the remainder would have to raise fares to, and most likely beyond the point which would compel those who could do so to drive to and from work and would force the poor and lower income to pay into a fare box, money that should be going for food.

Forced service cuts and the elimination or severe curtailment of capital improvements and maintenance will necessarily result in deterioration nationwide. Our less fortunate citizens will be forced to pay much more for much less.

The American Public Transit Association has estimated that a 25 percent cut in federal aid would cause the loss of more than 200,000 jobs in the transit industry, thereby swelling the rolls of those receiving unemployment compensation and incurring a loss of income tax revenues to the U.S. and state treasuries about equal to the amount being cut from the budget. The net result would be no savings to the government and a deteriorating, high fare mass transit system being utilized by those who can hardly afford to pay existing fares.

We submit this simply is not the way to cut the deficit of this nation. We ask you not to cut these essential funds.

Thank you.

Mr. **Lehman**. Thank you.

[The prepared statement of Mr. Ole M. Berge follows:]

BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION
OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

APRIL 22, 1986

Mr. Chairman and Members of the Subcommittee:

My name is Ole M. Berge. I am Chairman of the Railway Labor Executives' Association and President of the Brotherhood of Maintenance of Way Employes. The headquarters of the RLEA is located in the Railway Labor Building, 400 First Street, N.W., Washington, D.C. Accompanying me today is Mr. J. R. Snyder, RLEA Legislative Chairman and Mr. William G. Mahoney, counsel to the RLEA. ¶On behalf of the nation's railroad employees whom we represent, I would like to convey our appreciation for this opportunity to present to you our position of strenuous opposition to the loss of rail passenger service in the United States and to the crippling of our urban mass transportation program which has been eminently successful for over two decades. We submit that the Amtrak appropriation must be maintained at $606 million if Amtrak is to continue effective operations and that the urban mass transit appropriation simply must not be decimated. I am also submitting a separate statement relating to rail safety appropriations.

The Railway Labor Executives' Association is an unincorporated association with which are affiliated the chief executive officers of all of the standard national and international railway labor unions in the United States. The organizations whose chief executive officers are members of the RLEA are listed below:

- American Railway & Airway Supervisors Association, Division of BRAC
- American Train Dispatchers' Association
- Brotherhood of Locomotive Engineers
- Brotherhood of Maintenance of Way Employes
- Brotherhood of Railroad Signalmen
- Brotherhood Railway Carmen of the United States and Canada
- Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes
- Hotel & Restaurant Employees and Bartenders International Union
- International Association of Machinists and Aerospace Workers
- International Brotherhood of Boilermakers and Blacksmiths
- International Brotherhood of Electrical Workers
- International Brotherhood of Firemen & Oilers
- International Longshoremen's Association
- National Marine Engineers' Beneficial Association
- Seafarers International Union of North America
- Sheet Metal Workers' International Association
- Transport Workers Union of America
- United Transportation Union

I would like first to discuss the loss of Amtrak. I say "loss" advisedly because anything less than Amtrak's essential appropriation of $606 million would mean cuts in maintenance and operations that would render Amtrak incapable of longterm operation without huge additional infusions of capital in future years.

Amtrak has proved its worth. It has been worth the investment made in it by the employees and the unions and the taxpayers. It has surpassed expectations in its performance over the past few years and its future would look bright indeed except for the annihilation proposed for it by the Administration.

When one examines the economics of each form of passenger transportation available to the public in this nation, one is immediately struck by the reality that without massive federal aid to each mode of transportation, none could exist. Federal aid, of course, takes many forms, direct and indirect, from outright grants to tax benefits. Whatever form federal aid takes it remains money going to passenger transportation that would otherwise be in the U.S. Treasury.

If full federal aid to the airlines, including tax revenues lost because of tax deductions for business travel, were considered in determining the cost to the taxpayer of each airline passenger, one would find that cost to be about 30% more than the cost for each passenger riding Amtrak.

The financial and social burdens to the states of eliminating a mode of transportation used by 20 million of their citizens and which provides jobs for some 25,000 people in 44 states could not be borne by them. The Northeast Corridor, owned by Amtrak, provides the means of commuter travel for tens of thousands of people every day. The individual commuter authorities simply could not fill the transportation gap that would be left by the elimination of Amtrak: and, we have not seen - and will not see - any rush of private companies to buy and operate the Northeast Corridor.

It has been estimated that commuters on the New York-Washington segment of the Corridor would have to pay an additional $164 million annually and those on the New York-Boston segment would have to pay an additional $48 million. These amounts would be in addition to the $65 million annually which they now pay Amtrak.

Because of the planned severe cutbacks in financial aid to mass transit authorities, which I will mention in more detail in a moment, including, of course, those in the Northeast Corridor, there would be insufficient money to continue the commuter operation in the Northeast Corridor and it would be back to the clogged highways for hundreds of thousands of commuters from Washington to Boston with all of the environmental, health, and highway maintenance costs - all borne by the taxpayer - which that return to the highways would produce.

The losses to this country from the permanent elimination of rail passenger service will be many and great. These include the loss to many communities of their sole means of public transportation; the heavy impact upon low income and elderly passengers; national defense implications; the enormous capital waste involved; and the long-term adverse effects upon the overall quality of life in this nation.

The RLEA would like to focus for a moment upon the effects which the elimination of Amtrak will have upon railroad employees. According to information issued by Amtrak, some

21,000 Amtrak employees would be put out of work, as well as about 4,200 employees of other railroads who perform services for Amtrak. The loss of these employees will remove some $100 million annually from U.S. income tax revenues and $524 million from the revenues of those 44 states in which they work and live: as much as $85.8 million from Pennsylvania; $56.7 million from New York; $55.9 million from Maryland; $52 million from New Jersey, and so on. The removal of this large number of employees from the payroll of the railroad industry will have a significant adverse impact upon the railroad retirement system which the Congress very recently and successfully strove to place in a financially viable - but at the same time financially delicate - posture. In the very near future it will have removed some $3.9 billion from the railroad retirement trust fund which provides income to 1,000,000 beneficiaries. It will also seriously increase the burden on the railroad unemployment insurance system which Congress is presently attempting to preserve by legislative action.

What is the net gain - or loss - to the U.S. Treasury over the next 10 or 15 years if we junk Amtrak? The Administration hasn't told us. The President has said Amtrak would cost $8 billion over the next decade (a seemingly exaggerated figure since Amtrak has cost but $7.9 billion over the past 16 years and if the present requested appropriation was frozen for 10 years could cost but $6.06 billion). However, the President did not say what the cost to the Government would be without Amtrak. Indeed, the loss of tax revenues from Amtrak's unemployed alone would be over $1 billion not to mention similar revenue losses from the thousands of people and hundreds of companies, large and small, which exist as suppliers of Amtrak. The adverse effects on the quality of life in this country would be much greater than the money involved. One must face and answer the question whether the financial gain, if any (or perhaps loss), to this nation is sufficient to deprive ourselves forever of an efficient dependable rail passenger service which over 20 million people now use each year - and their numbers grow annually. We must answer that question in the negative. Certainly, neither the Administration nor anyone else has provided supportive reasons for answering otherwise.

Another proposal of the Administration is to cut by 25% to 40% the funds given to urban mass transportation in this country. The Congress decided in 1984 that substantial aid to urban mass transportation systems in this nation was essential. It had been proved repeatedly and at that time was being proved daily that privately owned transit systms were not economically feasible; that they could never pay their way through the fare box; that local and state governments alone simply did not have the financial resources adequate to subsidize mass transit; and, without mass transit our metropolitan areas, which continually grow in number and size, would choke to death in their own smog and immobility. The need was particularly acute for those of our citizens, who for financial or other reasons, simply could not get to and from work without public transportation.

To cut 25% to 40% from the federal aid provided to this nation's 22 year program of mass transit assistance could force the shut down of a number of systems and the remainder would have to raise fares to - and most likely beyond the point - which would compel those who could do so to drive to and from work and would force the poor and lower-middle income to pay into a fare box money that should be going for food.

Forced service cuts and the elimination or severe curtailment of capital improvements and maintenance will necessarily result in deterioration of our mass transport facilities nationwide. Our less fortunate citizens will be forced to pay much more for much less.

The American Public Transit Association has estimated that a proposed $798 million cut (20%) in federal aid would cause the loss of more than 200,000 jobs in the transit industry, thereby swelling the rolls of those receiving unemployment compensation and shrinking the income tax revenues to the U.S. and state treasuries by about as much as would be cut from the budget.

The net result would be no savings to the Government and a deteriorating mass transportation system being utilized by those who can hardly afford to pay the existing fares.

We submit this simply is not the way to cut the deficit of this nation. We ask you not to cut these essential funds.

Thank you.

Mr. LEHMAN.

Mr. SNYDER. My name is J.R. Snyder. I am the National Legislative Director of the United Transportation Union. I am appearing today as Chairman of the Safety Committee of the Railway Labor Executives' Association. Accompanying me is Lawrence M. Mann, attorney for the Railway Labor Executives' Association in this matter. The Railway Labor Executives' Association represent all the crafts of the railroad workers in this country, and the names of the constituent organizations are as follows:

American Railway Supervisors' Association, Division of BRAC
American Train Dispatchers Association
Brotherhood of Locomotive Engineers
Brotherhood of Maintenance of Way Employees
Brotherhood of Railroad Signalmen
Brotherhood of Railway, Airline, Steamship Clerks, Freight Handlers, Express and Station Employees
Brotherhood of Railway Carmen of the United States and Canada
Hotel Employees and Restaurant Employees International Union
International Association of Machinists and Aerospace Workers
International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers
International Brotherhood of Electrical Workers
International Brotherhood of Firemen and Oilers
International Longshoremen's Association
National Marine Engineers' Beneficial Association
Railroad Yardmasters of America
Seafarers International Union of North America
Sheet Metal Workers International Association
Transport Workers Union of America
United Transportation Union.

At first glance one might gain some comfort that the accident/incident statistics appear to be improved from last year. We agree that the preliminary figures are a little better. Still ten percent of the employees are injured each year. There were more than 1,000 total rail related fatalities in 1985 and close to 6,000 rail-highway grade crossing accidents. In addition, there were over 3,000 train accidents not at crossings and nearly 30,000 incidents, most resulting in injuries and causing over 500 fatalities.

The question Congress and the public must face is do these statistics reflect an acceptable level of safety on the nation's railroads. The deaths and injuries are not just statistics to the Railway Labor Executives' Association. We reject any suggestion that these statistics could not be cut in half by vigilant enforcement by FRA. The FRA can take no credit for any statistical improvement over last year because the agency really cannot show any positive enforcement effort. As we pointed out in the past, very few cases are processed for violation by FRA. The sweetheart arrangement between FRA and the railroads must end. We think this borders on criminal neglect and an investigation should be required by Congress. Last year's enforcement efforts are shown below:

Defects discovered: track, 107,587; hazardous materials, 10,268; signal, 9,477; motive power and equipment, 150,979; operating practices, 3,134.

Violation reports: track, 159; hazardous materials, 238; signal, 86; motive power and equipment, 3,104; and operating practices, 1,513.

Percent: track, .15; hazardous materials, 2.3; signal, .91; motive power and equipment, 2; operating practices, 48.

Furthermore, the FRA is turning its collective head to increasingly widespread failures by the railroads to report accidents and incidents as required by law. The Railway Labor Executives' Association has little confidence in the validity of the statistical data base. We have knowledge of many cases where the railroads simply keep injured employees on the payroll and do not report the accident or incident. Other situations involve blatant nonreporting even though the accident or incident is obvious.

A related issue is the continuing problem that the railroads do not identify the proper causes of accidents/incidents. We have brought this to FRA's attention many times but the FRA has done nothing to assure validity of the statistical information it receives from the railroads. Human error has been designated by the railroads on the accident reports as causing approximately 25 percent of the railroad accidents. There have been no systematic analyses of such accidents by FRA. The underlying causes should be determined so that appropriate measures can be taken to correct such errors, if indeed human error caused a particular accident.

We urge your Committee to direct an independent investigation of the entire accident reporting procedures. Possibly the Office of Technology Assessment or the General Accounting Office could be authorized to conduct the review.

Another problem is that the United Transportation Union alone has pending on file with FRA hundreds of complaints of safety violations. I am sure the other crafts also have many violation complaints which have not been processed by FRA. Some of our complaints have been pending since 1983 and in over 100 of United Transportation Union's cases, the FRA has not even answered or otherwise acknowledged the complaint. Rail labor is not asking for special treatment. However, we feel a governmental agency should be diligent in responding to safety complaints.

By and large, the Federal safety inspectors are diligent and interested in improving safety. If there were sufficient numbers and each was allowed to perform the necessary inspections by the policymakers at FRA, a dramatic improvement in safety could be expected. We realize that the budget constraints this year will not allow many more inspectors. However, we hope you will approve a meager increase in the number of safety inspectors. There should be at least one inspector in each State for the inspection of signals and for hazardous materials inspections.

The FRA has proposed to merge the research and development budget into the office of Safety appropriation. This was attempted by FRA in the past and your Committee properly rejected it. Combining the two budgets would be a bad precedent and not in the interests of safety. The research and development staff needs to retain some independence from the Office of Safety in conducting research. Also, Congress is better able to oversee these activities if they are kept separate and distinct.

This should not be interpreted to mean that Railway Labor Executives' Association thinks the research and development funds are being wisely spent. The money is not being directed to the areas which are causing the greatest numbers of injuries or deaths. Most of the research money has been spent on equipment and track research. We question why highway grade crossing accidents have received so little cooperative efforts to reduce accidents at grade crossings. Nevertheless, none of the FRA's specifically funded research projects in 1985 or in 1984 related to highway grade crossings. Overwhelmingly more accidents, deaths and injuries occur at crossings than anywhere else on the railroads.

The FRA did hold public hearings in 1985 on grade crossings, published a report, and initiated a few demonstration projects. These actions are to be applauded. However, these initiatives by Department of Transportation are nothing but window dressing. An in-depth study should be undertaken to determine why each collision occurred. This at a minimum, should include interviews of each driver of the motor vehicle involved and each crew member in the locomotive. Only by a systematic and comprehensive analysis of these accidents will there be a better understanding of why the vehicles proceeded into the path of a train, and insight provided as how to reduce this unnecessary slaughter of humans at crossings.

Also, we have already mentioned the matter of employee error, which needs in-depth study. Hopefully, your appropriations for railroad safety will require research into these two areas that I have mentioned.

To no surprise of anyone, the FRA is continuing its efforts to kill the state funding program. Fortunately, Congress has rejected these attempts by FRA. As the Senate Committee stated in its report during the last Congress, "The Committee believes in many states this program provides a valuable service and should be funded."

This funding is important to rail labor and the public, and we again urge your support here. I do not need to repeat the significant safety benefits the state safety program has provided over the years. If it were not for FRA's continued deterrence in dealing with the states, the program could be even more beneficial to improving safety.

We have consistently urged your Committee to earmark funds for 20 days of travel each month for safety inspectors. Philosophically you have agreed with Railway Labor Executives' Association that funds need to be earmarked by providing for 15 days per month for travel. Hopefully you will increase the number of days to 20 so that each inspector can have the necessary flexibility to inspect facilities and equipment as may be necessary. For many years the inspectors have not been able to inspect facilities and equipment as may be necessary. For many years, the inspectors have not been able to inspect all of the railroad cars even once a year. Also, the locomotives are usually inspected only once a year. More inspections are needed if the equipment is to be maintained in safe condition.

For a number of years your Committee has recommended funding for labor/management cooperative projects in the railroad industry. If the alcohol and drug regulations, which have been promulgated, are upheld by the courts substantial funding for training of counselors, et cetera will be necessary. The Railway Labor Executives' Association has challenged a part of the rule as being unconstitutional. Even during the pendency of the lawsuit, whatever actions are taken, they should be performed only by properly trained personnel.

We are not challenging the employee assistance programs authorized by the new regulations which afford counseling to employees with alcohol and drug problems. We urge you to continue the financial support of this very worthwhile program.

In conclusion, the Railway Labor Executives' Association appreciates your Committee's interest in improving rail safety. We hope you can convey our concerns to the FRA. The agency needs close scrutiny by Congress, otherwise, the attitude of coddling the railroads will continue.

That concludes my statement, Mr. Chairman. We would be glad to answer any questions.

Mr. Lehman. Would you like to introduce the other members of your panel?

Mr. Snyder. On my left, Mr. W.G. Mahoney, Counsel for the Railway Labor Executives' Association. On my right is our expert on safety, Mr. Mann, who is also Counsel for the Railway Labor Executives' Association's Executive Session on Rail Safety.

Mr. Lehman. I want to thank you for your testimony. You know that personally I have supported everything you have asked, but these are years of tough budgetary problems, as you know.

Mr. Snyder. Right.

Mr. Lehman. And a few other problems.

Mr. Snyder. Tough times.

Mr. Lehman. Mr. Coughlin.

Mr. Coughlin. Thank you, Mr. Chairman.

Again, I thank you for your testimony.

As you know, it was this subcommittee that brought the funding for AMTRAK and mass transit and rail safety projects through the last budget cycle, right up to the wee hours of the morning in the continuing resolutions.

Mr. Snyder. We are very grateful for that.

Mr. Coughlin. We were relativaely successful.

Thank you for being here.

Mr. Snyder. Thank you.

Mr. Durbin. I have no questions but I am glad to see my fellow former BRAC members here today. I have to confess a conflict of interest, having been a member of BRAC, as was my mother, father and two brothers. Having that conflict, let me tell you I agree with you completely. We will be working for you this year.

Mr. Wolf. Just thank you for the statement.

No questions, Mr. Chairman.

Mr. Snyder. Thank you very much.

Tuesday, April 22, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESSES

LES STERMAN, EXECUTIVE DIRECTOR, EAST-WEST GATEWAY COORDINATING COUNCIL, ST. LOUIS, MISSOURI

R. RALEIGH D'ADAMO, EXECUTIVE DIRECTOR, BI-STATE DEVELOPMENT AGENCY, ST. LOUIS, MISSOURI

Mr. **Lehman**. Next is Les Sterman, and Raleigh D'Adamo, St. Louis Light Rail.

Mr. **Sterman**. Mr. Chairman and Subcommittee Members, let me first thank the Committee for the opportunity to appear before you to discuss a project that is very important to the people of the St. Louis region—the proposed light rail system.

The St. Louis project has come farther, faster than any rail project in the nation. We are grateful for your current support of our project in getting to this point, but we recognize that your future support must be earned. We think we are doing just that. Preliminary engineering began in July of 1985 and is scheduled for completion on time in July of this year. We will complete preliminary engineering for less than half the budget and in far less time than estimated by UMTA. Contrary to UMTA's expectations and predictions, the project cost has not increased one penny from the $250 million estimated at the conclusion of alternatives analysis. This has been done without cutting back on the system or its service. This is a well-run project and every dollar is spent as if it is our own. We have made commitments and we have kept them.

We recognize that your past support was given without reservation. I would like to briefly address what we believe to be the key concerns raised by UMTA and Members of this Committee.

First, the point has been made that our analysis showed that an all bus alternative will attract more riders than an integrated light rail and bus system. This resulted from UMTA's insistence that our bus alternative include a wide variety of locally unacceptable proposals such as the closing of our central downtown streets and signal preemption on many miles of major arterial streets. These proposals were turned down by local governments and business groups.

Patronage on the light rail alternative on the other hand, was estimated by very conservative methods. The resulting comparison between the all bus and light rail/bus alternative is seriously flawed and is clearly theoretical and not real. We are now producing demand estimates which better reflect the relationship between these alternatives. I think we have demonstrated great integrity in preparing our demand estimates. While that sometimes works to our disadvantage, we never want to have to apologize for a failure to meet our forecasts.

Your second major reservation is our proposal to use locally owned assets, rather than cash, to match federal funding for the project. Contrary to UMTA's view, we believe that this is the strongest aspect of this project, one that makes us unique, and for which we should not be penalized. By using existing infrastructure we have reduced the cost of a billion dollar project by three quarters, and are saving everyone money. We are renewing priceless historic structures and putting them to good use. St. Louis should serve as a positive example of how to do rail transit at a reasonable cost. The St. Louis region has a longstanding cash commitment to public transportation with a one-half cent sales tax which was instituted in 1973. We should not suffer in comparison with other cities which have only recently made a similar commitment solely to start a rail system.

Many projects which look good in the planning stages don't hold up under more detailed analysis and close scrutiny. The St. Louis light rail project looks better with each passing day. We hope you will agree and continue to support our efforts with a $20 million appropriation for fiscal year 1987. Although our needs are greater, we are making an identical request to last year, recognizing the budgetary pressure this Committee is under.

I also would like to introduce into the record a copy of our fact sheet. We have provided copies for each Member of the Committee.

[The material referred to follows:]

Metro Link St. Louis Light Rail

A Missouri-Illinois
Cooperative Effort

Fact Sheet

Legislative Update

Project Status: Preliminary engineering on the light rail system is nearing completion. The 18-mile system will have 20 stations and will be fully integrated with the bus system. An application will be submitted to the Urban Mass Transportation Administration in the summer of 1986 for final design and early construction. These activities will be partially funded by the $23.5 million already appropriated by Congress for FY1985 and FY1986. The FY1987 funding request for $20 million will cover additional construction. A letter of intent and full funding contract, per Sec. 3(a)(4) of the Urban Mass Transportation Act, will be sought when preliminary engineering is complete. Illinois Department of Transportation is committed to providing funds in FY1986 toward local match for a feasibility study for service to Belleville and Granite City. East-West Gateway Coordinating Council is also studying additional corridors in Missouri.

Project Cost and Phasing: Metro Link will cost about $250 million in federal funds assuming a four-year funding cycle. This figure (less than $14 million

Funding Summary to Date for LRT Proposal to EWGCC

Federal Fiscal Year Appropriation	Actual Receipt	Source	Amount	Purpose
1983	*1984*	*Federal*	*$ 500,000*	*To prepare environmental impact statement*
	1984	*Local*	*125,000 (in kind)*	
1984	*1985*	*Federal*	*$ 3,500,000*	*Preliminary Engineering*
	1985	*Local*	*1,200,000*	
1985	*Congress appropriated. Application to UMTA in 1986*	*Federal*	*$10,000,000*	*For final engineering*
1986	*Congress has appropriated. Applications will be made to UMTA*	*Federal*	*$13,500,000*	*Construction*
		Local	*05,000,000*	*Capital Assets*

per mile) includes engineering and design, project management, construction and procurement, testing and start-up. Also escalation at 4-6%, contingency at 10%, and project reserve at 5%. City assets of approximately $85 million to be contributed to the project will bring the total project cost to $335 million. East-West Gateway is currently negotiating with developers to privately fund certain station improvements which could also be used as a local match. Note: Cost of Metro Link has not grown during preliminary engineering. The cost of other rail lines will be determined by the above-mentioned study.

Construction Costs

Mode of Transportation	Capacity Persons/Hour Peak Direction	Vehicles/Hour	Estimated Construction Costs/Mile
Six-lane highway	*6750*	*5400*	*$35 million*
Busway	*6750*	*113*	*$17 million*
Rapid rail	*6750*	*30*	*$80 million*
Metro Link	*6750*	*35*	*$12 million*

Who Supports Light Rail? A broad-based group of elected and civic leaders from the St. Louis region, including the Missouri and Illinois Congressional Delegation, St. Louis Mayor Vincent Schoemehl, County Executive Gene McNary, East St. Louis Mayor Carl Officer, East-West Gateway Coordinating Council Chairman Hugh McCane, and Vice Chairman Jerry Costello, Civic Progress, St. Louis Regional Commerce and Growth Association, Downtown St. Louis, Inc., Landmarks Association, Central West End Association, St. Louis Labor Council, Skinker-DeBaliviere Community Council, Paraquad, Home Builders Association of Greater St. Louis, Archdiocese of St. Louis, Southwestern Illinois Building and Construction Trades Council, Bi-State Development Agency, Real Estate Board of Metropolitan St. Louis, Coalition for the Environment, Citizens for Modern Transit, many private development entities, and a host of other civic and neighborhood organizations.

Does Light Rail Follow Congressional Directives on New Starts? Yes! The 1982 Surface Transportation Assistance Act and the FY1983 Department of Transportation Appropriations Bill laid out specific guidelines for new starts. St. Louis meets these guidelines in the following ways. First, we have a dedicated 1/2¢ transportation sales tax (since 1973) guaranteeing a revenue source to the bus and light rail system. In addition, Illinois also has a dedicated transportation sales tax. Second, the project utilizes existing infrastructure such as the Eads Bridge, a rail tunnel under downtown, right-of-way and trackage through downtown to the airport, and a repair facility. Third, private sector involvement is extensive due to cooperation of railroads in city acquisition of rail facilities. In addition, many business developments are modifying and dovetailing projects to fit with light rail, e.g., Union Station, Amtrak, Washington Avenue Redevelopment Corporation, St. Louis Centre, Laclede's Landing Redevelopment Corporation, East St. Louis Riverfront Development, St. Louis County Enterprise Zone, and others. Fourth, the project is cost-effective, with few displacements of people or property; use of existing infrastructure nearly eliminates right-of-way costs; and, East-West Gateway's Alternative Analysis/Draft Environmental Impact Statement reveals that the cost to operate light rail is no

Operating Costs

Mode of Transportation	Annual Operating Cost	Annual Operating Cost/Passenger	Cost Per Trip
Automobiles	*$215 million**	*$1,240*	*$4.12*
Light Rail/Bus	*$ 59 million***	*$ 580*	*$1.86*

**based on an average commute of 10 miles at a cost of 25.8¢ per mile not including parking or tolls*
***based on Draft Environmental Impact Statement by the East-West Gateway Coordinating Council*

more than TSM (Transportation Systems Management), an UMTA term meaning improvements to the existing bus system.

What Are The Gains For The St. Louis Region With Light Rail? The region stands to profit greatly from light rail in the following general ways:

- Demonstrating St. Louis' ability to be progressive and forward looking in meeting future needs
- Increasing mobility, speed, comfort and reliability of public transportation
- Improving operation and cost effectiveness of the bus system
- Stimulating economic growth and increasing local tax receipts
- Enhancing physical and social environment and improving air quality
- Addressing parking cost and availability problems in downtown, midtown, Clayton and other employment centers
- Providing a rapid and efficient method of transportation in the region's most densely populated and congested corridor

The region also stands to gain from light rail in many specific ways:

- Tying together the downtown core area and many of the new developments, such as St. Louis Centre, Union Station, Laclede's Landing, etc.
- Linking four university and college campuses, downtown and midtown cultural centers, city and federal government centers, new Amtrak Station, Lambert Airport, and the area's two largest employment centers, outside of downtown, Washington University Medical Center and McDonnell-Douglas Airport complex
- Spurring economic development of approximately $400 million—a conservative estimate in the AA/DEIS
- Reducing travel time between origins and destination in the corridor
- Creating more than 5,000 construction jobs
- Creating about 18,000 permanent jobs and $9 million annually in new tax revenues
- Enhancing local tourism/convention package by connecting airport hotels, convention center and many entertainment centers

What If Federal Operating Assistance Is Cut Or Eliminated? The St. Louis proposal is based on federal operating subsidies remaining at the 1982 level in actual dollars through 1995. No federal subsidy increase to correct for inflation was anticipated. Should all federal assistance be eliminated, the region has a number of replacement options available, which have been thoroughly discussed by the region's elected officials. In short, because a bus/rail combination system requires no greater amount of operating subsidy than does an all-bus system, the region's dependency on federal operating assistance is not increased by the addition of rail service.

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Mr. STERMAN. Now, let me introduce Raleigh D'Adamo, Executive Director of the Bi-State Development Agency, which operates public transit in St. Louis and will be the operator of our light rail system.

Mr. D'ADAMO. Mr. Chairman, and Members of the Subcommittee, we sincerely appreciate the opportunity to speak to you today about the St. Louis light rail project.

As the operator of the comprehensive, unified public transit system for the St. Louis Metropolitan Region of Missouri and Illinois, Bi-State believes that the title of the project's brochure—"A New Start for Public Transportation"—accurately characterizes our approach to this project. We do not perceive the future of transit in our region as a choice between bus or light rail, instead, we view it as a unique opportunity to build an integrated bus and light rail transportation system which can win over new ridership to public transit, thus making our new bi-dimensional transit network a real asset to and a major component of the continued growth and economic development of the St. Louis region.

St. Louis has attracted nationwide attention by imaginatively recapturing the past and recreating it in modern, exciting terms. For our region to continue to set high standards of quality for new growth, there must be a transportation system to match. We can no longer afford the unproductive cost of standstill, rush hour traffic on our major highways, or the wastage of valuable center city land for unproductive parking lots. With each passing day Bi-State is trying to re-tailor its transit routes and schedule patterns so that its services will be more meaningful to the residents of our service area. However, there is just so much that one can do with a bus.

Besides our traditional and vital role of serving those who must depend on public transportation, Bi-State must become more economically independent by serving a broader constituency, and by doing so in the most efficient and effective way possible. Our new regional express bus services are already appealing to those who have a choice, and their new patronage is telling us that they have chosen to leave their cars behind and ride with us. At least they can relax and leave the driving to us, but in the final analysis, our buses must still travel on the same clogged highways as the rest of the traffic.

For us to provide a real choice for the citizens of our burgeoning region, we must now move into a form of transportation that can provide higher speeds, shorter travel times and greater comfort. St. Louis' light rail project, which will operate on its own right of way, separate and apart from vehicular traffic, is our chance to achieve that goal.

Current studies are taking a hard look at the economics of this project and are concluding that existing local revenue sources will be sufficient to operate an integrated light rail and bus system. Our transit system will be stronger, and we will have an image and identity which will give us marketing opportunities which we would otherwise not have available to us.

Besides the light rail line's benefits for our residents and our region, it will give Bi-State new opportunities to work with the private sector. Already the private sector is showing more interest in public transportation in St. Louis than at any time in the past 20 years. We are hopeful that some of the development opportunities along the light rail route can be turned into a continuing source of revenue so that Bi-State can support its total transit operations better.

Above and beyond this welcomed private sector interest, I am pleased to report that for the first time in memory, a star coalition of business, labor, citizens and elected officials has been forged to work to improve public transportation. The light rail line has been the catalyst for this, but the ultimate beneficiaries of this project will be all transit users, current and future. We have a longstanding commitment to providing quality bus service and the light rail line will enable Bi-State to extend its transit management experience and expertise still further for the benefit of all of our public.

Finally, this particular light rail project is modest by today's standards, due in large part to St. Louis' unique approach that Les Sterman referred to earlier. The benefits to St. Louis, however, will not be modest.

On behalf of the riding public, whom I serve, I respectfully ask for your continued support to help us make a new start for public transportation in St. Louis.

Mr. Lehman. Thank you very much. You made an excellent presentation, both of you.

Mr. Coughlin.

Mr. Coughlin. Thank you, Mr. Chairman.

Just a couple of questions. You indicated that the net comparison between all bus and light rail/bus alternative was seriously flawed. That was your analysis, wasn't it?

Mr. Sterman. That was our own analysis, but the ground rules were very carefully dictated by UMTA, and we wanted to play by all the rules, and we did so, and we think that worked to our advantage and we ended up estimating ridership on using devices such as clogging of our downtown streets, which simply would not work. They simply wouldn't work in St. Louis. We held a public hearing, and we got severely taken to task by our business community and elected officials for doing so. We simply don't feel that is a real alternative.

Mr. Coughlin. And in terms of our having your matching contribution made by locally owned assets, does UMTA think our capital contribution is worth $85 million?

Mr. Sterman. We are discussing the appraised value of assets with them. We feel strongly it is worth in excess of $85 million. We are continuing those discussions with them.

Mr. Coughlin. And finally, one of the things we have seen in other cities that build rail, city zoning and transit lines are sometimes out of sync. If the project is built do you have the zoning in place to take maximum advantage of development benefits that it would create?

Mr. Sterman. We are working with all the local governments. The local developers I think, as the project nears reality, the reception we are getting is tremendous, and I think we are going to be able to take advantage of it. We have enterprise zones, we are dealing with downtown developers who are coming to us and proposing stations in their lobbies, in the middle of shopping centers. I think we are doing very well on that score.

Mr. Coughlin. Thank you, Mr. Chairman.

Mr. Lehman. Mr. Durbin.

Mr. Durbin. Thank you, Mr. Chairman.

Let me say at the outset I probably should have taken the opportunity to introduce the gentlemen who are appearing, because this is a bi-state effort between Illinois and Missouri. In fact the Illinois Department of Transportation has made a substantial commitment of funds to develop feasibility studies for extending the service of the light rail system to the east side.

I would also like to say we are happy that this last fiscal year the House has made a substantial commitment of finals to this project. I hope we can continue that commitment, despite the serious fiscal year problems facing us. Most of the questions I had in mind have been covered by your testimony.

There is one statistic which Mr. Stanley referred to in his testimony before the subcommittee. He indicated that St. Louis was forced to reduce bus service by 30 percent in recent years, because of a lack of adequate funds to operate the existing system. Could you comment on this and how it relates to your proposed effort?

Mr. D'Adamo. Well, perhaps as the new man on the block there, I can take a stab at that. I think that ridership in the St. Louis area, as I understand it, fell precipitously in the last decade as indeed the population of St. Louis, which I understand went down from about 900,000 to perhaps 450,000. It certainly is my intent as the new Executive Director of Bi-State, to build up that ridership, to get the people out of our clogged highways, as indicated in my testimony. It is no fun now to sit on some of our interstates—Interstate 44, State 40, to say nothing of the bridges coming over the Mississippi from Illinois—and try to get into the central business district.

Our ridership has already increased by two percent in each of the last two years, and I think my background in Westchester County that I just came from—I turned a static community population of about 900,000 and ridership in our transit system there of one million, up to thirty million by the time I left there just a few months ago, an increase of some 43 percent—is something that I am going to try very, very hard to duplicate for the people of St. Louis, and for this we are going to certainly be expanding our bus system, and there is more than the ridership that would be justification for this light rail system.

Mr. Durbin. I would like to add as a person who grew up across the river in East St. Louis, I saw the dramatic decline of the St. Louis downtown area in terms of commercial activity and the number of people you could find downtown in St. Louis. But I invite any member of the subcommittee to go downtown St. Louis and see the amazing growth of this area resulting from the new St. Louis Center and Union Station. I think it bodes well not only for the area, but for this project. You are going to be serving what is obviously a very popular area with this service.

Mr. D'Adamo. Mr. Chairman, if I may also add a comment to Congressman Coughlin's question.

I think the light rail lane is certainly expected to foster economic development along its route, but in a sense, it is already responding to a great deal of economic development which is, as Congress man Durbin has indicated, has already taken place in downtown St. Louis. We are not out of parking spaces, we are now out of capacity, and our radial highways, and as I obviously heard the people from Denver, it just is unproductive anymore to go on building these massive highways and to take away our center city land for wasteful parking space.

So I think communities like Denver, communities like St. Louis are at the point where we are in part responding to the growth that is there and in part leading to growth elsewhere.

Mr. **Durbin**. Thank you, Mr. Chairman.

Mr. **Lehman**. The gentleman from Michigan.

Mr. **Purcell**. No questions.

Mr. **Lehman**. I want to thank you for being here and we will try to do the best we can.

Mr. **D'Adamo**. Thank you very much, sir.

Tuesday, April 22, 1986.

FEDERAL HIGHWAY ADMINISTRATION

WITNESSES

PAUL A. KARAS, COMMISSIONER OF THE CITY OF CHICAGO, ILLINOIS DEPARTMENT OF PUBLIC WORKS

RON HARTMAN, GENERAL MANAGER, MARYLAND MASS TRANSIT ADMINISTRATION

Mr. **Lehman**. Mr. Durbin, would you like to introduce your Commissioner from the City of Chicago, one of your Illinois colleagues?

Mr. **Durbin**. Yes. Mr. Karas is one of my fellow Illini. I would like to introduce to the Subcommittee, Paul Karas, Commissioner of the City of Chicago Department of Public Works. I don't know if you are going to be joined today by any colleagues or representatives from other agencies, Mr. Karas, but if you would be kind enough to introduce them to the Subcommittee, I would appreciate it.

Mr. **Karas**. Thank you, Congressman.

Mr. Chairman, other Members of the Committee, my name is Paul Karas, Commissioner of the City of Chicago Department of Public Works. Joining me here is Mr. Ronald Hartman, General Manager of the Maryland Mass Transit Administration. Mr. James O'Leary, General Manager of the Massachusetts Bay Transportation Authority joins us in our remarks, but cannot be here in person today.

We are confining our remarks to the interstate transfer program. I would like to highlight some of our concerns over the nature of the program and recent trends in the budget and appropriations process. More detail can be found in the written testimony which we submitted to the Committee last week.

Since 1983, Congress has allowed the withdrawal of nonessential segments of the interstate highway system, and in their place, were allowed to substitute other local highway or transit projects of equal value. It has permitted planning and development changes to be accommodated without the loss of transportation investment.

Over the last 13 years some 32 interstate trade-ins have been made in 21 states, accounting for $8.8 billion.

In effect, Congress, through the transfer program, made an offer to the states and local governments which said that if they were to designate interstate segments, Congress would provide the funding for the substitute project. Illinois and 20 other states have accepted the Congress' offer but the original value for value trade-in agreement has been severely undermined over the years.

The 1982 Surface Transportation Assistance Act removed cost escalation from the program's underfunded balance. Each year, appropriations have fallen increasingly short of authorization levels.

Finally, more state segments have been withdrawn since 1982 with a value of $4 billion, without any compensating increase in authorizations or appropriations.

In short, the needs are growing and resources are declining. On top of this, the administration has proposed to fund both highway and transit substitute projects for the highway trust fund at a combined total of $500 million per year. This is a reduction of $404 million or 45 percent from current 1986 funding levels.

The impact is more severe because 1986 funding did not include the needs of New York's $1.7 billion withdrawal. The needs generated by the Westway withdrawal have increased demand on program funding by 25 percent.

Finally, the administration proposes an extension of the payout period of the program by four years, from 1990 to 1994. Our surveys shows that to meet the national interstate transfer transit needs alone, would require an appropriation of almost $300 million in fiscal year 1987 compared to the $200 million for the FY 86 level. Yet we know that even such an increase would be consistent with the value for value trade concept, it would be contrary to the current budget cutting mood of the Congress.

We urge the Committee to consider means to help remedy this situation and safeguard the program's value for value agreement as established by Congress.

First, we suggest you provide as much annual funding as possible to meet the needs of Chicago, Baltimore, Boston, New York and other participating cities.

And second, we are also urging restoration of the escalation provision for some equivalent means to protect the underfunded balances.

We ask that you keep in mind that if interstate transfer segments had not been withdrawn their funding would have grown to cover project completion.

I should note in closing that Secretary Hanley of the Illinois Department of Transportation follows us in testifying and he will indicate what that Illinois' specific funding needs are.

Thank you for the courtesy of hearing our testimony.

Mr. Hartman will now give his remarks.

[The prepared statement of Messrs. Karas, Hellman and O'Leary follows:]

April 22, 1986

Statement of

PAUL A. KARAS
Commissioner of the City of Chicago Department of Public Works

WILLIAM K. HELLMANN
Secretary of the Maryland Department of Transportation

and

JAMES F. O'LEARY
General Manager
of the
Massachusetts Bay Transportation Authority

before the

Subcommittee on Transportation and
Related Agencies

United States House of Representatives

I am Paul Karas, Commissioner of the City of Chicago Department of Public Works, and am joined here today with William Hellmann, Secretary of the Maryland Department of Transportation. James O'Leary, General Manager of the Massachusetts Bay Transportation Authority had planned to join us but could not be in Washington today. We wish to express our appreciation for the opportunity to submit this testimony to the Subcommittee.

Our testimony is confined to the Federal Interstate Transfer Program. The Chicago region and the Baltimore area of Maryland have respectively the second and third largest shares of the Program's unobligated balance. Boston is nearing the completion of their program but still has a substantial unobligated balance. We are very concerned, as are most other transfer areas, about the serious impact on the Program's integrity caused by shortfalls in funding and the recent withdrawal of New York's Westway project. The Program is also threatened by a pending withdrawal in Hawaii and by the Administration's proposal to delay the Program's completion. We wish to highlight these concerns for you and recommend an adequate level of funding to support the Federal government's obligation to transfer areas. First, I will briefly summarize the nature of the Program and the transfer agreements on which it is based.

Program Background

Since 1973 the Interstate Transfer Program has operated to redirect Federal funds to the most useful and efficient transportation investments. It has allowed the withdrawal of nonessential segments of the interstate highway system and the substitution of other local highway or transit projects of equivalent value. It has permitted local planning and development changes to be accommodated without the loss of transportation investment. Transfer areas have been given the ability to meet their transportation needs without building unneeded interstate highway segments. Pursuant to the Interstate Transfer Program over the last 13 years, some 32 interstate trade-ins have been made, in 21 states, accounting for $8.8 billion.

The Surface Transportation Assistance Act of 1982 amended the Interstate Transfer Program to close it out concurrently with the Interstate construction program by 1990. The program was modified in a number of ways: most of it was put on a formula basis; substitute highway projects were funded from the Highway Trust Fund; the escalator clause which had permitted inflationary growth was removed for transit and highways; and sufficient annual authorizations were made to meet Interstate Transfer contractual obligations by FY1990. The withdrawal deadline of September 30, 1983, was maintained with one segment (New York's Westway Project) under court action given until September 30, 1985, and certain other segments under court action given until September 30, 1986.

The Nature of the Transfer Agreement

The Interstate Transfer Program was intended to be an enticement to areas with planned interstate segments to spend Federal money on more constructive transportation projects than an interstate segment. At the time of program enactment, interstate highway projects for many areas no longer fit regional transportation needs or had generated long-standing local controversies which were delaying their construction. Local officials, however, were faced with the prospect of losing millions and, in some areas, billions of Federal funding if the planned interstate segments were dropped. Their only alternative was to continue to press for a segment construction. Through the Interstate Transfer Program, the Federal Government made an offer to local officials that helped the officials out of their all or nothing dilemma. The offer also helped to speed the completion of the Interstate Highway System.

In essence, the Federal government made an offer to allow state and local governments to withdraw pending interstate highway projects and, in exchange, transfer the project value to other authorized mass transit or highway projects. The underlying incentive of this offer was a value for value trade: funding that would have been available for completion of the interstate project would be available to complete the substituted transit and highway projects. By accepting the Federal government's offer, state and local officials were led to believe that their purchasing power would not be diminished by the failure of the Federal government to deliver funding in a timely fashion. In other words, it was assumed that as interstate segments were withdrawn, appropriations and authorizations would be increased proportionately to meet the needs of the old and new substitute projects that the Federal government had agreed to fund. This assumption was an important inducement for areas to trade in interstate projects. Otherwise state and local officials would have been subject to local criticism of trading certain Federal funding for uncertain Federal funding.

Value Erosion

When the STAA of 1982 eliminated the inflation adjustment for the Interstate Transfer Program, transfer values were pegged at their highest escalated level. Subsequently, the Program fell victim to the ever increasing efforts to reduce the Federal deficit. Since the STAA of 1982, 11 interstate segments valued at $4 billion have been withdrawn. No increase in funding has been made to offset this infusion. Much smaller funding levels have resulted for old transfer areas than promised by the STAA. In fact, Interstate Transfer Transit has been cut every year since 1981 for an overall reduction of 66 percent. As a result of shortfalls in anticipated funding, transfer areas' substitute projects are being delayed, costs are increasing and the value of the original trade-ins are eroding. The value for value bargain is being undermined.

The Aftermath of the Westway Trade-in

The trade-in of New York's Westway project significantly heightens the value erosion problem. That action added approximately $1.7 billion to the Program's unobligated balance of $4.9 billion. The Program shares of previous trade-ins were reduced by 25 percent. 75 percent of highway funding and 50 percent of transit funding are allocated by a formula based on an area's share of the program. The reduction in program shares caused by Westway proportionately reduces each area's annual formula allocation. It also dramatically increases the competition for discretionary funding. Coupled with the very unlikely prospect of obtaining the necessary increase in appropriations to offset the Westway trade-in, reductions in formula allocations will not be recouped for years. The situation may worsen this year. Hawaii has until September 30th to decide to withdraw an interstate segment worth $716 million. If withdrawn, the Hawaii project will have the same effect as Westway: annual allocations will be reduced, substitute projects delayed, project costs inflated and trade-in values eroded.

The Administration's Proposal

The Administration proposes to merge the Interstate Transfer Highway and Transit programs and fund both under the Highway Trust Fund (HTF) at $500 million per year. This represents a $404 million, or 45 percent, reduction from current amounts. The impact of this cut on existing transfer areas is even more severe because the $500 million must also accommodate additional substitute projects resulting from the Westway transfer noted above and possibly a Hawaii transfer.

Also the transfer program would not be completed until 1998. This would drastically increase value erosion.

The Administration's proposed merger would also add Interstate transfer transit funding under the highway obligation ceiling. Thus, even if the authorization from the HTF were increased to fund both Interstate transfer highways and transit, transfer states would have to accommodate another program under their obligation ceiling. This would hamper the transfer areas' ability to obligate all apportioned and allocated funds, unless transit substitute funds would be exempted from the ceiling.

Recommendation

To complete the Interstate Transfer Program by the STAA of 1982 target date of September 30, 1990, $263 million and approximately $1.2 billion would have to be appropriated annually for transit and highway respectively. Transit's 1986 funding level is $210 million. Highway is funded at only $694 million. Obviously to meet the target date, significant increases in appropriations and authorizations would be necessary. Though such increases would be consistent with the nature of the program and its value for value bargain, it would be contrary to the current budget cutting mood of Congress. Keep in mind, however, that had the transfer areas stayed with their interstate segments, the funding would have grown to cover project completion.

Funding is not growing to complete our substitute projects. We, therefore, urge the Committee to provide the Interstate Transfer Program as much funding as possible to protect the value of our trade-ins and minimally honor the original trade-in agreements. We also urge the Committee to reject the Administration's proposal for the reasons stated.

Once again, we thank you for making this forum available to present our views.

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Mr. Hartman. Thank you.

I appreciate the opportunity to testify before your Committee today. The Maryland Department of Transportation is a multimodel state agency with responsibilities for a variety of modes. Through the MTA, which is the agency which I am associated with, we operate the business and metropolitan services in the Baltimore region and provide assistance to small systems around the state. For the Maryland portion of the Washington region, the department coordinates with the Washington Metropolitan Area Transit Authority in the operation of bus and rail service. In addition, through its State Rail Administration, the department operates commuter operations in the state, as well as highway construction, maintenance, aviation, and ports to name a couple.

I would like to express my appreciation for the help this Committee has provided to us by appropriating dollars for some very needed transportation improvements in the state.

Our main purpose today is to express some concerns with respect to the interstate transfer program. The federal transportation or transit program as a whole is one that has worked very well for us. I am particularly concerned about the administration's efforts right now to restructure that program. In Maryland transit and commuter rail passengers are paying their fair share with a state law that requires the recovery of at least 50 percent of our operating costs out of the fare boxes. The remainder is paid out of state trust funds with a portion coming from federal operating assistance and that has been a very critical portion to us.

With respect to the capital project, the section 9 block grants program has permitted orderly, efficient replacement of older buses, which are obviously costly to maintain and beyond their useful life. With the section 9 and 18 programs, we have also been able to retain and expand transit in smaller urban and rural counties around Maryland where there is really no alternative for many people.

But primarily, as I said, we are here to comment on interstate transfer program. During the last decade, six segments of the interstate highways have been withdrawn in the State of Maryland. These actions were taken because the state and local jurisdictions, and Congress chose to use scarce federal transportation dollars for highway and mass transit alternatives which were of the highest priority. In Maryland our approach to interstate transfer has been to carefully identify a project section to be built with those withdrawn dollars, and in the transit area we have expanded our rail system through an orderly and incremental approach, which extends the rail system in a cautious manner from a fiscal perspective. This approach is, I believe, a sound one in terms of the availability of federal investment, and our investment in these major transit projects has been rewarded through significant economic benefits, including not only additional employment in the construction of these improvements, but also the longer term economic development that occurs in conjunction with new transit stations. We have seen significant economic benefits develop in conjunction with both the Baltimore and Washington metro rail systems.

Significant sections of the Washington metro were funded by the interstate transfer program, including the extension of the red line to Rockville and Shady Grove in Montgomery County. Our section B metro extension in the northwest corridor of the Baltimore region will be completed next year at a cost of at least $20 million under the budget set in 1979. Much of the credit for constructing this project at a significant savings should be given to this Committee for providing adequate funds during the years of major construction, including the earmarking of adequate discretionary funds.

The administration proposal would reduce by more than 50 percent of the annual amount of funds available to construct the Johns Hopkins extension. This would stretch out the completion by several years and likely increase the cost significantly. We have had success with building the projects on time and within budget and this proposal would run counter to that procedure, especially if the administration proposal is approved; the total amount of interstate transfer funds appropriations to Maryland would be reduced from over $103 million in FY 86 to $47 million in FY 87.

Enactment of this proposal could also impact on our highway program as the state has a number of important highways being built by the interstate transfer funds. At the present time, Baltimore is reconstructing Jones Falls Expressway. The cost exceeds $175 million. Next year we are planning to begin construction on the last 18 mile segment of the National Freeway in western Maryland. This is an extremely important project to the state and to the Port of Baltimore. Again, the proposal to combine the interstate transfer-highway and interstate transfer-transit programs creates serious problems because of inadequate funds to carry out either highway or transit projects.

In summary, with respect to transit, I would urge the committee to take the following actions:

1. To retain the interstate transfer program as a separate program funded from general revenues at current funding levels.
2. Provide some additional funding for substitute transit projects to reflect the impact of the Westway withdrawal.

Thank your for the opportunity to testify before the committee and for your consideration of our requests.

[The prepared statement of Mr. William K. Hellmann follows:]

TESTIMONY BY WILLIAM K. HELLMANN, SECRETARY OF THE MARYLAND DEPARTMENT OF TRANSPORTATION BEFORE THE TRANSPORTATION APPROPRIATIONS SUBCOMMITTEE OF THE HOUSE APPROPRIATIONS COMMITTEE PERTAINING TO THE FY 1987 DEPARTMENT OF TRANSPORTATION APPROPRIATIONS BILL

Room 2358 Rayburn House Office Building

Tuesday, April 22, 1986

My name is William K. Hellmann, and I am Secretary of the Maryland Department of Transportation. I appreciate the opportunity to testify before your Committee regarding the FY 1987 Department of Transportation Appropriations Bill.

The Maryland Department of Transportation is a multi-modal State agency with a wide range of responsibilities for transportation activities in the state. Through its Mass Transit Administration, the Department operates bus and Metro rail service in the Baltimore region, and provides assistance to small urban and rural transit operators throughout the state. For the Maryland portion of the Washington region, the Department coordinates with the Washington Metropolitan Area Transit Authority (WMATA) in the operation of bus and rail service, and works closely with WMATA in the development of the Metro rail system. In addition, through its State Rail Administration, the Department operates commuter rail service in the Baltimore and Washington regions, and oversees rail passenger and freight operations in the state.

The Department, through the State Highway Administration builds and maintains the State's highway system in Maryland. The Department is also a major participant in aviation and port activities through its State Aviation Administration and the Maryland Port Administration.

I would like to first express my appreciation for the help which this Committee has provided in the past by appropriating needed federal transportation funds to many important and worthwhile projects in the State of Maryland. This year we will have some specific requests, including discretionary funds, which we will discuss with members of the Committee and your staff. But our main purpose in appearing before you today is to express our concerns over the Administration's proposed FY 1987 budget for the Urban Mass Transportation Administration and specifically the Interstate Transfer proposals.

The existing federal transportation program is one which I believe has worked very well and is the result of many years of development and refinement. Since this program has worked so well, I believe that it is vital to maintain the transit, rail, highway and aviation components in their current form. In addition to maintaining the existing program structure, we are also seeking to maintain funding levels for each of these components at existing annual funding levels.

In this regard, I am particularly concerned about the Administration proposal to significantly change the structure and reduce funding for the nation's transit program. The existing UMTA program, which was structured by the landmark Surface Transportation Assistance Act of 1982, has served the country well. While some slight modifications may be needed to improve the program functions, the significant changes which have been proposed by the Administration would be detrimental in solving our urban transportation problems.

In Maryland, transit and commuter rail passengers are already paying their fair share of transit due to a State law requiring the recovery of at least 50 percent of expenses from the farebox. Federal operating assistance has been critical to us in providing a portion of the remainder. The remainder of operating costs after federal operating assistance is incurred by the Maryland Transportation Trust Fund. Maintaining federal operating assistance at the existing level and avoiding fare increases is especially important now since the rapidly declining price of gasoline makes the automobile a more competitive alternative.

With regard to capital projects, the Section 9 block grant program has permitted orderly and efficient replacement of older buses which are costly to maintain and beyond their useful life. The Section 9 and 18 programs have made it possible to retain and expand mass transportation in the smaller urban areas and rural counties in the State of Maryland. Without these programs, it is unlikely that bus service would exist today in Cumberland, Hagerstown, Garrett County [illegible] other communities. The riders in these areas are dependent on public transportation, and for many of them there is no alternative means of travel. Another major program which the Department seeks to maintain at current funding levels is the appropriation for construction of the Washington Metro rail system in order to advance toward completion of this major system serving the nation's capital. Lastly, there is the Interstate Transfer program, which is one of the most important sources of federal funds to Maryland for both transit and highway projects.

We believe that it is essential that all of the UMTA programs be funded as close to the FY 1986 levels as possible. There have already been major cuts in federal transit aid during the past few years, and additional reductions would make it difficult to maintain and improve our transit systems.

I would like to now cover in some detail our concern about the Interstate Transfer programs. During the last decade, six segments of interstate highways have been withdrawn in the State of Maryland, including I-70S in Montgomery County, I-95 in Prince George's County, I-70, I-83 and I-595 in Baltimore City, and I-297 in Anne Arundel County and Prince George's Counties. These actions were taken because the State and local jurisdictions chose to use scarce federal transportation dollars for highway and mass transit improvements which had the highest priority. The withdrawals were made with the understanding that substitute funds would be made available.

In Maryland, our approach to the Interstate transfer program has been to carefully identify essential transit and highway projects to be built in place of the withdrawn Interstate routes. In expanding our transit rail system, we have taken an orderly, incremental approach which extends the rail system in a cautious manner from a fiscal perspective. This approach is, I believe, a sound one in terms of the availability of federal funding and state funding for these projects. This Committee's investment and our investment in these major transit projects has been rewarded through significant economic benefits, including not only additional employment in the construction of these improvements, but also the longer term economic development that occurs in conjunction with new transit stations. We have seen significant economic benefits develop in conjunction with both the Baltimore and Washington Metro rail systems.

We have made good use of Interstate Transfer funds. Significant sections of the Washington Metro were funded by the Interstate Transfer program, including the extension of the Red Line between Rockville and Shady Grove in Montgomery County. Our Section B Metro extension in the northwest corridor of the Baltimore Region will be completed next year at a cost of at least $20 million under the budget set in 1979. Much of the credit for constructing this project at a significant savings should be given to this Committee for providing adequate funds during the years of major construction, including the earmarking of adequate discretionary funds.

We are now ready to begin our second major transit extension to be funded under the Interstate Transfer program. This project extends the existing Baltimore Metro from Charles Center in a northeasterly direction to Johns Hopkins Hospital, the largest employer in Baltimore City. The segment will be located entirely in subway and will have two stations. Preliminary engineering is currently underway and it is our intent to begin construction in 1988. The Hopkins extension will generate new ridership in a dense part of Baltimore City and make more efficient use of the existing Metro line. We anticipate that our Interstate Transfer entitlement will be sufficient to complete the Hopkins Metro extension, but only if the Interstate Transfer-Transit program is retained as a separate program and funded at an adequate level.

The Administration wants to eliminate the Interstate Transfer-Transit program and to fund substitute transit projects from a drastically reduced Interstate Transfer-Highway program. It is serious enough that the proposed combined programs would be funded at about one-half the FY 1986 level, but when the recently approved large Westway withdrawal in New York is added, the problem becomes even more severe. In September, 1985, New York, under pressure from Congress, decided not to construct a major interstate highway known as Westway. The project was withdrawn at a value of $1.725 billion (federal cost), and funding for substitute projects split 80% for highways and 20% for transit. This increased the cost to complete the Interstate Transfer-Highway program by $1.38 billion or 35%, and the Interstate Transfer-Transit program by $345 million or 38% thereby compounding the threat to the Interstate Substitution transit program inherent in the Administration's proposal.

The Administration's proposal would reduce by more than 50% the annual amount of funds available to construct the Hopkins extension. This would stretch out the completion by several years at a greatly increased cost. Maryland has had great success in building its projects on time and within budget. This proposal would run counter to that experience.

If the Administration's proposal is approved, the total amount of Interstate Transfer funds (transit and highway) apportioned to Maryland would be reduced from $103.5 million in FY 1986 to $47.0 million in FY 1987. This level would make it extremely difficult to construct the next phase of the Baltimore Metro to Hopkins Hospital. Transit projects by nature are large and require major obligational needs during the peak years of construction. The Hopkins extension will cost about $300 million, and require $80 million per year during major construction. Obviously, this would not be possible if the

Administration's proposal were to be enacted. Enactment of the Administration proposal would mean that Maryland would have to abandon its entire Interstate substitution highway program and use all of its apportionment for transit. Even then, the Department would need an additional $33 million discretionary allocation to keep the Hopkins extension on schedule. Under the Administration proposal, obtaining a discretionary allocation of this amount would be much more difficult due to the increased competition among transit and highway interests for a significantly reduced level of discretionary funds. As a result, even by using all of our Interstate substitution highway program, we would still have to delay completion of the Hopkins extension under the Administration proposal.

Other interstate substitution states would be put into a similar situation, and would have to substantially delay either their entire Interstate Substitution highway or transit programs in order to have sufficient funds for a major highway or transit project. With no allowance for inflation, the long term impact of this approach would be devastating, and would signficantly reduce the number of projects which could be completed with Interstate substitution entitlements.

In addition to the Metro project, the State has a number of important highways which are to be built with Interstate Transfer funds. At the present time, the City of Baltimore is reconstructing the Jones Falls Expressway, the major north-south highway in the Region, at a cost exceeding $175 million. Next year we are planning to begin construction on the last 18 mile segment of the National Freeway in Western Maryland. This highway is extremely important to the entire State and the Port of Baltimore. Again, the proposal to combine the Interstate Transfer-Highway and Interstate Transfer-Transit programs creates serious problems because of inadequate funds to carry out either highway or transit projects.

The Interstate Transfer-Transit program was at one time funded at an annual level of $600 million. It has been reduced each year, and in FY 1986 is only a little over $200 million, or one third the earlier amount. Any further reduction will ultimately result in a situation where states are unable to effectively undertake large transit projects because of insufficient funds on an annual basis.

As indicated earlier, the Department will need approximately $80 million per year in Interstate Transfer-Transit funds to complete major construction of the Hopkins Extension of the Baltimore Metro. Maryland's current apportionment is approximately $25 million, which would be reduced to $20 million if a solution to offset the Westway withdrawal is not provided. Therefore, there is already a significant gap between annual funding needs and our existing formula funding. Any further reduction in the annual funding level for the Interstate Substitution Transit program will make it extremely difficult for the Department to undertake the Hopkins extension. Therefore, maintaining the existing funding level for this program is of paramount importance to Maryland.

In summary, I urge the Committee to take the following actions:

1 Retain the Interstate Transfer-Transit program as a separate program funded from general revenues at current funding levels.

2. Provide some additional funding for substitute transit projects to reflect the impact of the Westway withdrawal.

Thank you for the opportunity to testify before the Committee and for your consideration of our requests.

Mr. **Lehman**. Mr. Karas, I want to thank you on behalf of my colleague from Illinois, for being here and I want to thank both of you for the good testimony.

Mr. Coughlin.

Mr. **Coughlin**. No questions.

Mr. **Lehman**. Mr. Durbin.

Mr. **Durbin**. I would like to associate myself with the remarks of both the witnesses I think there is a clear breach of faith by the Administration when states have surrendered projects with the expectation they be able to spend the money on different projects more effectively in the future, then to find that the Administration is reluctant, to say the least, in parting with those funds.

I would like to, advise Mr. Karas that we have been told by the Federal Highway Administration that the interstate transfer program will not be completed in 1994 but rather 1998. That is the latest word from the Administration. So it means we will have to wait that much longer before the funds will be available if the Administration has its way.

I have one particular project in Chicago that I have a question on for Mr. Karas. What will be the status of the Southwest transit project if the funding scenario you just outlined should take place?

Mr. **Karas**. Well, what will happen, inflation will begin to erode the value of what we can place in the ground with the monies we have available. If we extend the project for another four years, beyond its 1992 estimated collection date, we are talking about an estimated cost increase of approximately $4 million through 1996. We currently do not have that money in our budget for this project. That is a heck of a way to build anything—nine miles of railroad through 1996 beginning in late 1986.

Previous to this position, I was with the Santa Fe-Southern Pacific Corporation. We built 43 miles of railroad, a project I was responsible for, over the Continental Divide in ten months. Give me the money and I think we can do this one in two and a half years.

What we also see with extensions is partial completion of this facility with stations left vacant for a number of years, cars unused for a number of years. It isn't a very practical way to construct a transit system.

Mr. **Durbin**. Thank you. I know how important that project is to the City of Chicago. Congressman Lipinski, for example, has spoken to me repeatedly, as a member of the Public Works Committee about wanting to move ahead on this project.

Thank you.

Mr. **Lehman**. Mr. Purcell.

Mr. **Purcell**. No further questions.

No further money.

Mr. **Lehman**. I want to associate my remarks with Mr. Durbin, about the basic unfairness of interstate transfer policies. The good guys will finish last and we will see if we can help you. Thank you.

Tuesday, April 22, 1986.

DEPARTMENT OF TRANSPORTATION

WITNESSES

H.R. HANLEY, SECRETARY, ILLINOIS DEPARTMENT OF TRANSPORTATION

EUGENE McCORMICK, DEPUTY SECRETARY, ILLINOIS DEPARTMENT OF TRANSPORTATION

CARLA BERROYER, DIRECTOR OF INTERNATIONAL GOVERNMENTAL AFFAIRS, ILLINOIS DEPARTMENT OF TRANSPORTATION

Mr. DURBIN. I am really proud to introduce Secretary Hanley of the Illinois Department of Transportation. Mr. Hanley is new to the position, but we all know in Illinois he is not new to the job. He has been professionally associated with the Illinois Department of Transportation for many years, and for the short period of time he served as Secretary of Transportation, he has already managed a feat which has eluded many of his precedessors. It looks like he is going to get the Central Illinois Expressway bridge across the Illinois River, which happens to serve my district, something we have waited for for a long time.

Secretary Hanley, if you would be kind enough to introduce your colleagues. We are glad to have you here today.

Mr. HANLEY. Thank you, Congressman Durbin.

First, Mr. Chairman, I would like to thank you and the Members of the House Appropriations Transportation Subcommittee for holding hearings on U.S. Department of Transportation appropriations for fiscal year 1987. I greatly appreciate the opportunity to testify before you today and share with you some of the Illinois Department of Transportation's perspective concerning some of these bills.

My special thanks go to my friend Dick Durbin, who time and time again has demonstrated his deep commitment to his state's railroad needs.

As Congressman Durbin stated, I would like to introduce first on my left, Carla Berroyer, who is Director of International Governmental Affairs for the department, and on my right, Eugene McCormick, my Deputy Secretary.

We know that your time is very important so we want to make our comments brief, but at the same time we want to provide the answers for any questions that you might have after the presentation.

I think, as most of you know, Illinois is the hub of a vast highway, rail, air and water network for the nation and it has the second largest transit system in the country in Chicago. Illinois thus shares great responsibilities for the nation's collective investment in the federal railroad system.

We as a state recognize the need to check federal spending and support efforts to reduce the deficit. However, we strongly believe that this goal should not be achieved by neglecting and weakening the nation's railroad investment. A strong railroad network is necessary for the nation's economic health and growth.

We have about ten items Bob Karas has touched on, as did the gentleman from Maryland, but generally speaking, we want to talk about the interstate transfer fund, highway obligation ceiling, transit operating assistance, transit program, section 3 transit discretionary program, motor carrier safety assistance program, National Highway Traffic Safety Administration, AMTRAK, airport improvement program, and essential air service. So with that, we will start with what we think—and I am sure Paul alluded to a lot of this. Now I am going to ask my deputy, Gene McCormick, to talk about the interstate transfer program.

Mr. McCormick. Thank you, Mr. Chairman, and Members of the Committee.

I will try to supplement Commissioner Karas' earlier remarks on the interstate transfer program, if I can.

Illinois has been active in that program since 1977. It was in 1977 that the first segments of appropriated interstate route was deleted from the interstate system and these funds that were at that time earmarked for that construction were reassigned to critical, pressing railroad needs, both transit and highways, throughout the six county Chicago area. Ever since 1977, the interstate transfer program has played a key part in our overall highway funding for our statewide program and certainly our mass transit program as well.

So Illinois has a very vested, long term interest in the interstate transfer program, and over quite recent years, the last three and a half years, 11 more deletions from the interstate system throughout the country have occurred, which in essence has added approximately $4 billion to the unfunded balance in the last three years.

Under the administration's proposed four-year Surface Transportation Act, the funding level for the interstate transfer program is reduced by approximately 47 percent, but not only is the funding decreased. As a result of those further demands and further deletions throughout our nation, in essence—I know Illinois would be faced with approximately a 70 perent reduction in federal funding levels.

As an example, this year, FY 86, we in Illinois received approximately $245 million of federal interstate transfer funds for both our transit and highway programs. That would be reduced to approximately $70 million, or a 70 percent reduction under the administration proposal, obviously a matter of grave concern.

At the point in time when our progress has been made with this interstate transfer funding, to suddenly have that continued funding withdrawn, obviously would carry an impact not only on the six-county Chicago area, but throughout the state as we readjust our program to try and offset those impacts.

In terms of fiscal year 1987, to be able to continue the program that we have onstream, including the Southwest rapid transit line in Chicago, we have a need of $280 million. So we would like to see an increase from today's $245 million, to approximately $280 million next fiscal year. Rather than that we are faced with the possibility of being reduced to $70 million a year.

I think in essence that is probably the one most significant federal item we are most concerned about, because it does affect our total transit and our total highway program and we certainly encourage Congress to try and set authorization levels for the interstate transfer program that are sufficient to complete the program that has been laid out over the years and we certainly think it is essential for the citizens of our state and we know it is essential for the citizens of our other states throughout the nation who find themselves in the same interstate transfer dilemma we find ourselves in today. Thank you.

Mr. HANLEY. The second area is the highway obligation ceiling. We feel, and would like to emphasize the fact that programs funded from the highway trust fund are supported through user fees and don't contribute to the deficit.

I am going to ask Carla to say a few words on those and follow up with some on transit operating assistance programs.

Ms. BERROYER. As Mr. Hanley mentioned, we did want to point out as one of our more critical concerns, the highway obligation ceiling. Historically, Illinois has been very successful in using all of its obligations ceiling, and using the maximum amount of apportionment we have made. We have been able to get our projects out, and get the work done.

Generally, we have received extra obligation authority in the past that has been redistributed at the end of the year because of this. However, in the last couple of years, the ceiling itself has become more and more restrictive and it has now gotten to the point that we are going to suffer serious consequences in our highway program if we do not have a ceiling that is closer to the level of authorizations for the highway program.

This year, by the end of the fiscal year, we will have approximately $100 million left in the federal aid highway apportionment that we cannot spend because of the obligation ceiling. And we are very hopeful that, and urge you strongly, to keep this in mind when you are setting the ceiling this year. We hope that it can be placed at the maximum level possible and as I say, we are urging you to keep that close to the authorization level.

The second point I wanted to bring up, and I will do this very briefly, is the area of federal funding for mass transit. As you know, we are a large transit state. We have northern Illinois as well as many smaller systems down state. We are particularly concerned about proposals that are out there now that would eliminate operating assistance for urban areas over 200,000 in population. This would not only affect the Chicago metropolitan area, but also Rockford, Peoria, St. Louis Bi-State and Rock Island. And although the amount of money may be fairly small for the downstate areas, it constitutes a very large portion of their operating deficit, a large percentage of funding that they would find extremely difficult to make up, particularly in times when they have received cuts in a lot of other federal program areas.

So we wanted to point out that as something that we are very concerned about, those proposals that are there now. And we wanted to emphasize that we also are very supportive of continued funding for capital assistance as well, that we are most concerned that the funding continue to be at a level for rail modernization that is at least equal to the level which is provided for new starts. This funding is essential for the ongoing operations of the older and larger systems, where we have large ridership, like Chicago, and we wanted to mention that in our remarks as well. Thank you.

Mr. HANLEY. I would just like to touch for a moment on AMTRAK. Illinois strongly supports continued funding for AMTRAK at levels sufficient to retain the national system and state-sponsored "403" service. Illinois sponsors three routes between Chicago and Springfield, Chicago-Quincy, Chicago, Champaign. AMTRAK runs a total of 28 trains throughout the state.

Funding for AMTRAK this year is $591 million. The Senate Budget Committee recently approved the same level for fiscal year 1987.

Very briefly, on the airport improvement program, past funding levels for the airport improvement program have been insufficient to maintain the needs of the states, including Illinois. We believe the funding levels have been unnecessarily low and we hope that the Congress can give consideration to higher funding for airport improvement programs. We would like to see an obligation ceiling as close as possible to the $1.7 billion authorized.

As far as essential air service, the administration has proposed to eliminate this program which was established in 1978 to assure that small communities continue to receive air service linking them to the national network. We have 12 essential air service communities who receive small annual subsidy benefits of about $500,000. All have benefitted from the systems provided by the program. Elimination of the program could jeopardize air service for smaller communities throughout the country. We recommend continued funding for the entire program, but at least for the nonsubsidy provision.

I have provided the committee with a copy of my remarks and this will conclude what Carla and Gene and I have as far as oral remarks. Once again, I want to thank you for the opportunity to present the Illinois view on railroads funding. With your commitment and efforts, I feel confident railroads will be fairly represented in the total budget and appropriations process.

Thank you, Mr. Chairman.

[The prepared statement of Mr. H.R. Hanley follows:]

Testimony
on
FY 1987 US DOT APPROPRIATIONS
by
Secretary H. R. Hanley
Illinois Department of Transportation
to the
Transportation Subcommittee
of the
House Appropriations Committee

April 22, 1986

Mr. Chairman, I would like to thank you and the members of the House Appropriations Transportation Subcommittee for holding hearings to solicit testimony concerning transportation appropriations for FY 1987. I greatly appreciate the opportunity to testify before you today and to share with you Illinois' transportation concerns.

Illinois is the hub of a vast highway, rail, water and aviation transportation network for the nation. In highways, Illinois serves as a crossroads for the nation's highway network. Three of the five transcontinental Interstate routes go through the state, which ranks third in terms of completed Interstate highway mileage. Illinois also ranks fourth in terms of total mileage on the federal-aid system. In rail, the state ranks second in the nation with 8,460 rail route miles and two of the nation's busiest rail terminals - Chicago and East St. Louis. In water, there are 1,200 miles of inland waterways, representing the largest system in the nation. In aviation, Illinois is among the leading states in terms of its general aviation facilities, and has one of the world's busiest airports -- O'Hare International.

Thus, Illinois shares a great responsibility for the nation's collective investment in the national transportation system. That investment has been cause for great concern with actions over the last few years to deal with the growing federal deficit. Illinois recognizes that the economic situation of the 1980's requires a cooperative effort among the federal, state and local governments to check public spending. Indeed, we must face up to and deal with the fact that the era of seemingly unlimited resources is past. We must refocus our activities and use the nation's limited resources in as effective a way as possible. This is going to involve making choices and setting priorities. Adapting the motto of the world-renowned Chicago architect Mies van der Rohe, "Less is More," we, the architects of the nation's transportation infrastructure, are facing the challenge of doing "more with less." However, there is a grave risk in neglecting the nation's transportation investments. The cost of deterioration is high, both in terms of its impact on economic activity and the cost of overdue repairs that will accumulate and multiply. Let me now discuss the transportation appropriation issues of greatest concern to Illinois.

Interstate Transfer Program

The Interstate transfer program is an integral part of Interstate completion. Adequate funding for highway and transit substitute projects is critical for the timely completion of the program. The addition of approximately $4 billion to the unfunded balance in the last three years as a result of 11 new Interstate transfers has dramatically increased funding needs. The unfunded balance will likely be increased by an estimated $740 million in the near future when Hawaii withdraws one of its Interstate routes.

Without increased funding, additions to the program result in reduced funding levels for existing transfer areas. For example, when the New York Westway was withdrawn and added to the transfer program, Illinois' formula share for highway substitute projects went from 16.13 percent to 11.98 percent and for transit substitute projects, from 48.54 percent to 32.58 percent.

The Administration's proposal to merge the Interstate transfer highway and transit programs and fund both under the Highway Trust Fund at $500 million per year would further exacerbate the existing funding shortfall. The $500 million is $404 million, or 45 percent, less than the current level. The impact of this cut on existing transfer areas is even more severe because beginning in FY 1987, the $500 million must also accommodate the Westway withdrawal which added $1.7 billion to the unfunded Interstate transfer balance. Illinois' share under the Administration's proposal would thus drop by more than two-thirds, from $245 million received this year to about $70 million. Illinois' funding needs for FY 1987 are detailed below:

- o Interstate Transfer Transit -- Illinois needs $120 million to proceed with various projects in FY 1987. Illinois received $115.3 million in FY 1986, with $64.3 million in discretionary allocations earmarked by Congress and $51 million in formula funds.

  The bulk of the FY 1987 funding request is needed to maintain the construction schedule for the Southwest Rapid Transit Line. Any significant delay in construction due to inadequate funding could eventually result in cost overruns which may be too large to be accommodated under the remaining balance of the Interstate transfer transit program.

- o Interstate Transfer Highways -- Illinois could use as much as $160 million in highway substitute funds for FY 1987. In FY 1986, Illinois received a Congressional earmark of $46.6 million in discretionary funds and $83.1 million in formula funds, for a total of $129.7 million.

  The requested Interstate highway funds are needed to maintain progress on many important projects in the six-county Chicago region and to maintain the overall balance between highways and transit in the area's total Interstate transfer program. In addition, substitute highway projects are an essential component of the state's total highway program.

We are hopeful that this Subcommittee will recommend an Interstate transfer transit appropriation and discretionary earmarks for both highway and transit substitute projects sufficient to meet Illinois' total needs.

Highway Obligation Ceiling

In recent years, Congress has enacted increasingly restrictive highway obligation ceilings in order to make the deficit appear smaller by limiting spending from the Highway Trust Fund. This has severely limited the federal highway resources actually available to the state to accomplish much-needed projects. At the end of FY 1986, there will be about $7.1 billion in highway funds nationwide that have been apportioned or allocated to the states but which cannot be obligated for contracts. The comparable figure for Illinois will be approximately $100 million.

While Illinois supports deficit reduction, it is important to keep in mind that programs funded from the Highway Trust Fund are self-supporting through user fees and do not directly contribute to the federal deficit. The latest estimate by the Congressional Budget Office shows that under a simple extension of current taxes, the Highway Trust Fund can support annual obligations of $13.2 billion over the next four years without triggering the Byrd amendment. Illinois urges you to consider this fact and recommends that the highway obligation ceiling for FY 1987 be set at least at the full level of highway authorizations subject to the ceiling.

Transit Operating Assistance

Federal transit operating assistance has been a lifeline for the nation's urban and rural communities which have mass transit systems. After a reduction in FY 1983, annual federal funding for operating assistance has been held constant at $870 million. This has encouraged states and local communities to increase their funding support and transit operators to step up efforts to cut costs and increase efficiency.

The Administration's proposed elimination of this assistance for urban areas over 200,000 population would have a major impact on the larger mass transit communities, including five in Illinois where federal assistance has provided approximately $62.5 million annually. Northeastern Illinois is one of the five impacted transit systems. Although the $58 million federal operating assistance for this area does not constitute a major part of the total operating budget for that area, such a drastic cut in funding could seriously jeopardize efforts to maintain the financial stability of the system. The other four affected systems in Peoria, Rockford, St. Louis Bi-State and Rock Island would be impacted to a greater degree because federal assistance to these cities, although smaller than for northeastern Illinois, subsidizes a larger share of their operating deficit. All five areas and the state have experienced cuts in other federal domestic programs and are thus hard pressed to accommodate the total loss of operating assistance. Illinois urges that funding for mass transit operating assistance be retained for all systems in rural and urban America.

Transit Formula Program

The transit formula grant program under Section 9, for urbanized areas, and Section 18, for rural areas, is the backbone of the federal transit program. It provides both operating subsidies and funding for essential and routine capital projects to 779 urban systems and to 974 rural systems throughout the nation. This includes 18 urban systems and 13 rural operators in Illinois which this year will receive a total of $185 million.

Transit formula funding dropped almost 16 percent from FY 1985 to FY 1986, from $2.4 billion to $2.1 billion. Funded from general revenues, this program will likely continue to be vulnerable to budget cutting efforts.

This year, the Administration has proposed to merge the federal mass transit program with local highway and bridge programs into a $3.4 billion per year highway and transit block grant program. Of this amount, $2.2 billion would come from the Highway Trust Fund and $1.2 billion from the Mass Transit Account. The combined funding for the block grant program is less than two-thirds of the current amounts for the separate programs being replaced.

The nation's transit needs are great and far exceed existing resources. Illinois, with the nation's second largest transit system in Chicago and well-established service in downstate urbanized and rural areas, would be especially hurt by severe further cuts in formula spending. As stated previously, state and local government support for transit has grown considerably over the last few years. However, it would be difficult for them to assume major increases in the cost for transit needs in the future. The result would be the gradual deterioration and demise of public transportation systems that the federal, state and local partnership has been rebuilding over the last 20 years. Illinois urges you not to let that happen, and asks you to fund the transit formula program as close as possible to current levels.

Section 3 Transit Discretionary Program

The Mass Transit Account, which funds the Section 3 program, is estimated to have a $3 billion balance at the end of this fiscal year and could easily support a level well above the current authorization of $1.1 billion. This program provides funding for major and extraordinary capital projects that cannot be accommodated from formula funding. It is a necessary complement to the formula grant program, especially for the nation's large transit systems such as in northeastern Illinois.

Congress has historically specified in the US DOT appropriations bill how much of the Section 3 discretionary funds are to be used for bus capital, rail modernization and new rail start projects. There is increasing pressure from new-start cities to increase the share for new starts. For the nation's mature transit systems, or "old rail cities" including Chicago, it is vitally important that the rail modernization category be protected and that its Section 3 allocation be at least equal to the amount for new starts. Mr. Chairman, the existing systems that serve the needs of millions of Americans must not be shortchanged. Illinois recommends Section 3 funding for FY 1987 at the full authorized level, split 10 percent for bus capital, at least 40 percent for rail modernization, no more than 40 percent for new starts, and 10 percent undesignated.

Motor Carrier Safety Assistance Program

The Motor Carrier Safety Assistance Program (MCSAP) provides much-needed financing for state truck safety programs. This includes the enforcement of federal and state laws pertaining to the hauling of hazardous materials on the nation's roadways. With truck traffic on the increase, the need for increased safety that this this program provides has become crucial. Yet Congress has not appropriated funding at the full authorization level. We recognize that this was justifiable in the past, because not all states had established programs and thus were not eligible to receive funds. However, the number of eligible states for FY 1987 has increased, and consequently, funding needs for next year will be greater. For this reason, we urge Congress to increase appropriations for MCSAP.

This program is important to the nation, but it is critical to states like Illinois that have such an extensive, heavily used truck network. Illinois has a successful, ongoing program, and is expected to receive $1.25 million this year out of $16.3 million available nationwide. We recommend that the FY 1987 appropriation be set as close as possible to the $40 million authorized, and that it continue to come from the Highway Trust Fund, to promote motor carrier safety in America.

National Highway Traffic Safety Administration - Section 402 Program

The National Highway Traffic Safety Administration - Section 402 Program has provided grants to states for a variety of safety-related programs. This program has made an important contribution to highway safety throughout the nation, and is an excellent example of a program where state and local governments and the federal government have worked together successfully.

In Illinois, Section 402 grants support the implementation of many safety laws including the child and adult occupant restraint laws and strict drunk driving enforcement laws. This program has been extremely beneficial to Illinois and can be credited for the general decline in the rate of traffic accidents in the state.

Illinois expects to receive $5.2 million for the Section 402 program this year. This is $1.2 million less than last year. We realize that this reduction was the result of deficit reduction cuts, but we are concerned about next year. Safety is a high priority in Illinois, as I am sure it is in the other states. We recommend that the obligation ceiling for this program be set at least at the current level of $121 million so that we have the necessary resources to aggressively promote highway safety.

Amtrak

As in the past, Amtrak's budget will be vulnerable to cuts in an effort to reduce the federal deficit. The Administration's FY 1987 budget recommends zero funding. Despite its position as a target for deficit reduction and the reduced funding levels it has received, Amtrak has been able to retain service on its national and state sponsored 403(b) routes by undertaking aggressive cost cutting efforts. Amtrak is doing "more with less." Illinois applauds that and recommends that Congress provide adequate funding so that Amtrak can continue to do so. The Senate Budget Committee recommends an appropriation of $591 million, the same as last year.

Amtrak operates 28 trains through Illinois. In addition, Illinois sponsors 403(b) service on three routes: between Chicago and Springfield, Chicago and Quincy and Chicago and Champaign. Funding to retain national service trains and the 403(b) routes is important to Illinois. In particular, it is important to the more than two and a half million passengers who get on and off Amtrak trains in the state each year, the many small businesses that depend upon train-generated traffic and the more than 2,000 Illinois residents employed by Amtrak.

Airport Improvement Program (AIP)

Past funding levels for the AIP have been insufficient to meet the states' needs for the rehabilitation, expansion and improvement of both air carrier and general aviation airports. This year, the obligation ceiling for the AIP was $885.2 million, or $132 million below the amount authorized. This restrictive ceiling is another example of the inappropriate, artificial limitations on spending from user-financed, self-supporting trust funds which have an excessive balance of funds available while pressing needs go unmet. This shortfall prevents the use of funds for greatly needed airport improvement projects in the states. Illinois is no exception. The state expects to receive $39.8 million this year but still has a project backlog, being able to undertake only a third of the number of projects requested by local communities. Illinois encourages approval of an obligation ceiling as close as possible to the $1.017 billion authorized for FY 1987 so that much-needed airport improvement projects can be undertaken.

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Essential Air Service

The Essential Air Service program, established in 1978 as part of the Airline Deregulation Act, provides vital air service subsidies and services to hundreds of small communities throughout the states. This program ensured that these small communities would not lose their vital air service links to the national transportation system. Illinois has 12 EAS communities. All receive air service today and benefit from the technical assistance that the program provides. Two of the 12 communities receive small annual subsidy benefits totalling about $500,000 to ensure air service. The Administration has recommended eliminating the EAS program for FY 1987. This program was designed to ensure that the nation's air transportation network include all communities - big and small. Elimination of the program, especially the non-subsidy provisions, could jeopardize air service for hundreds of communities throughout the country. Illinois recommends continued funding for the entire EAS program if possible, but urges funding adequate to support the EAS program's non-subsidy provisions.

This concludes my testimony. Once again, thank you for the opportunity to present Illinois' perspective on transportation funding. With your commitment and efforts, I feel confident that transportation will be fairly represented in the total budget and appropriations process.

Mr. Lehman. Thank you, Mr. Hanley.

Mr. Coughlin.

Mr. Coughlin. Thank you, Mr. Chairman.

We appreciate your being here. I just would comment that I guess to say that trust fund spending doesn't contribute to the deficit, trust funds are an amount of money that has been dedicated to a particular purpose, but there is a long held notion out there this is sitting in the bank collecting interest. To the extent that we have to go out and borrow money to spend on trust funds spending has surely contributed to the deficit as any other spending does. That is what we have to do in fact when we are in an unbalanced budget position.

Thank you very much.

Mr. Lehman. Mr. Purcell.

Mr. Purcell. Do they have any federal funds?

Mr. Hanley. No.

Mr. Purcell. Rail lines?

Mr. Hanley. That comes under the RTA, Regional Transportation Authority.

Mr. Purcell. How are they doing? What is their track record?

Mr. Hanley. I think that the reorganization, since the reorganization of the RTA and with the new chairman, Sam Skinner, that things have turned around and I think they are doing much better than what they had been doing in the past.

Mr. Purcell. Do you have any idea how many commuters they serve a day a year?

Mr. Hanley. We don't have the figures but we could get them from the RTA and would be glad to provide them to you.

Mr. Purcell. Is that a kind of model project that could be used in other communities?

Mr. Hanley. We think any project in Illinois could be a model project for any community.

Mr. Durbin. Mr. Secretary, we often have witnesses from the Administration sitting in the same chair telling us that Federal subsidies to AMTRAK should be eliminated. I have asked them what will then happen to AMTRAK services. You have spelled out how important AMTRAK is to Illinois. I share that feeling. I often wonder if they speak to people like yourself when they tell us the same service could be provided through state resources and through the private acquisition of AMTRAK. Do you have any opinion as to whether or not the State of Illinois is prepared to take over AMTRAK services exclusively without federal subsidy?

Mr. Hanley. No, Congressman Durbin, there would be no way we could take over the entire system. As you well know the state of the transportation system in the State of Illinois, we do in fact put in state funds on many of the AMTRAK routes, but in the event that the federal funding was not provided, we wouldn't be able to pick up the entire amount. There are over 2,000 employees, Illinois residents, that are on the payroll for more than $52 million a year, and so it is very important service to the people of the State of Illinois and also conversely, it helps the economy of the State of Illinois.

Mr. Durbin. Thank you.

Thank you, Mr. Chairman.

Mr. HANLEY. Thank you for the opportunity of providing some information to your Committee.

TUESDAY, APRIL 22, 1986.

COAST GUARD

WITNESS

SERGEANT MAJOR C. A. McKINNEY, LEGISLATIVE COUNSEL, NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

Mr. LEHMAN. Mr. McKinney.

Sergeant Major McKINNEY. Good morning, Mr. Chairman, gentlemen. Thank you very kindly for the opportunity to speak to this distinguished panel concerning the men and women of the United States Coast Guard. I am Sergeant Major McKinney, Mack McKinney, U.S. Marine Corps retired, legislative counsel for the Non Commissioned Officers Association of the United States. NCOA is the largest of the enlisted quasi-military associations chartered in the United States. Its membership is at least 90 percent enlisted, identifiable by NCO and Petty Officer grades E-4 through E-9, with an estimated 83 percent on active duty or in the guard, or reserve, of the Army, Navy, Marine Corps, Air Force or Coast Guard. Since NCOA does have a substantial representation among Coast Guardmen, it welcomes the opportunity to address this distinguished Subcommittee on issues of importance to enlisted men and women of the United States Coast Guard.

The association appreciates having its full statement placed in the record and calls attention to its contents.

The NCOA is concerned with the Coast Guard's operating budget. It is within this account that funds are provided to recruit, train, pay and sustain the Coast Guard uniformed personnel. NCOA is highly vocal in its praise of today's Coast Guardsmen. They are the brightest, most dedicated, highly motivated and experienced uniformed group the Coast Guard has had in any peacetime environment.

Granted, such quality does cost the Coast Guard more to keep these people aboard. However, I submit that their ability to accomplish a most satisfying task under arduous conditions is more than an acceptable test, justifying any additional cost for people programs.

As noted in my prepared statement the Coast Guard is a highly personnel intensive service that cannot operate efficiently without highly qualified and motivated people. Thus, it is surprising that our Coast Guardsmen, many of them assigned to areas where there are no commissaries, no governmental housing, recreational facilities, medical facilities, are caught between dedication and deprivation, remaining in the highest of commitment to their assigned tasks.

It would be a shame to lose these spirited people. So I come before this distinguished panel to urge full funding for the Coast Guard fiscal year 1987 people's budget. I express my association's pride in being able to urge this Subcommittee to appropriate adequate funds so that the Coast Guard can strengthen its personnel force to at least the maximum strength level approved for those services any time during this fiscal year.

There are other people issues NCOA has addressed in its prepared statement. I would like to comment on one and hope the Subcommittee's membership will take a moment or two to view the others, each of them—dependents' health care, enlisted severence pay, cost of living adjustments for Coast Guard reservists, and pay raises, et cetera, are highly important to the recruitment and retention of current highly qualified Coast Guard.

However, there is a legislative proposal—H.R. 4420—to be considered in the full House either today or soon thereafter. H.R. 4420 is a bill to reform the military retirement system. Its passage will affect future uniformed members of the Coast Guard. So I feel comfortable in commenting on this proposal before this distinguished Subcommittee.

Mr. Chairman, the people who made or make up the Coast Guard and what it is and what it will be in the future, are primarily enlisted personnel. They comprise the largest group of uniformed personnel in the Coast Guard or in any other service. Many of them will reach their 20th year of service in pay grades E-6 or E-7 and many of them will find their future in the Coast Guard concluded by the shortage of advancements in pay.

The E-6, for example, will not receive any further longevity hikes in basic pay after the 18th year of service. So why would he or she want to stay in any longer?

The E-7 faces the probability of not being promoted above that grade simply because the statute of limitations requires that only three percent of the enlisted force be promoted to the next two highest grades.

So in conclusion, H.R. 4420, which my association refers to as the "retired senior officers protection plan," is a horrible bill and will have devastating effects on retaining quality military personnel for our future forces. It should be rejected, and we hope this subcommittee will vote in that vein, sir.

That constitutes my prepared statement, and I will be happy to answer any questions.

Mr. LEHMAN. Your full statement will be included in the record. I want to thank you for certainly presenting your case very firmly.

[The prepared statement of Sergeant Major C.A. McKinney follows:]

THE NON COMMISSIONED OFFICERS ASSOCIATION
OF THE UNITED STATES OF AMERICA

"STRENGTH IN UNITY"

STATEMENT OF

Sergeant Major C. A. (Mack) McKinney USMC Ret.
Legislative Counsel

before the

SUBCOMMITTEE ON TRANSPORTATION
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES
99TH CONGRESS, SECOND SESSION

on

U.S. COAST GUARD APPROPRIATIONS, FY 1987

April 21, 1986

NATIONAL CAPITAL OFFICE
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Mr. Chairman. I am Sergeant Major C. A. (Mack) McKinney, U.S. Marine Corps Retired, Legislative Counsel for the Non Commissioned Officers Association of the USA (NCOA). NCOA is the largest of the enlisted quasi-military associations chartered in the United States. Its membership is at least 90 percent enlisted, identifiable by NCO and Petty Officer grades E-4 through E-9, with an estimated 83 percent on active duty or in the guard or reserve of the Army, Navy, Marine Corps, Air Force or Coast Guard. Since NCOA does have a substantial representation among Coast Guardsmen, it welcomes the opportunity to address this distinguished subcommittee on issues of importance to enlisted men and women of the United States Coast Guard. Your invitation, Mr. Chairman, is most gratefully acknowledged.

PEOPLE

When one reviews the congressional progress of the Coast Guard's authorization and appropriations requests he or she discovers that much active support is given to that service's operations and maintenance; acquisition, construction, rebuilding and improvement programs; and research and development; but little if any for people programs.

Yet people are the most important issue before this committee or this Congress. Simply put, the Coast Guard is a highly personnel-intensive service that cannot operate without highly-qualified and motivated people. Assigned to remote locations, removed from military catchment areas where they must live in civilian-oriented neighborhoods on uniformed services pay scales, far too many Coast Guardsmen are caught between dedication and deprivation.

Unlike most uniformed services the Coast Guard is required to assign many of its junior enlisted personnel to areas that have few if any other armed forces personnel in residence. These men and women have no access to military stores or morale, welfare and recreation facilities or, most importantly, medical facilities. Although eligible for housing and subsistence allowances, these Coast Guardsmen receive no medical allowance as a substitute for dependent's health care provided free to their comrades who reside in military catchment areas. Further, they receive no extra pay for the not-so-unusual number of overtime hours they spend in accomplishing assigned missions.

NCOA does not mean to imply it doesn't support funds to increase the continuity in plans to modernize and improve the Coast Guard's capital plant. Congress should, and the taxpayers need to recognize that Coast Guardsmen, no matter how motivated or skilled, cannot reach their highest level of performance without modern accoutrements. However, on the other hand, all of the highest technology equipment is of little use if there are no highly-qualified, skilled and motivated Coast Guardsmen to operate the vessels, aircraft, etc. that are relevant to the Coast Guard's mission.

Recognizing the value of people, NCOA recommends that the Coast Guard be authorized and provided the necessary funds throughout FY 1987 to retain at least the greatest number of uniformed (active and reserve) and civilian personnel it was authorized at any time during FY 1986. Further, that the Coast Guard be offered these funds without any discernable loss in equipment and operation and maintenance monies that may hamper the Coast Guard in accomplishing those missions.

DEPENDENT HEALTH CARE FUND

NCOA also recommends that this committee approve a special fund to be used by the Coast Guard to reimburse its enlisted uniformed personnel, assigned outside military catchment areas, for those costs incurred as a result of using civilian health providers for the care of their dependents. Currently, these Coast Guardsmen must use CHAMPUS for their dependents care. Such use is money out-of-pocket and not reimbursable. It isn't fair to offer free care to most active duty dependents but not to those whose uniformed spouses are involuntarily assigned to locations where the dependents are forced to use CHAMPUS.

SEVERANCE PAY

The association recognizes the problem this committee and Congress may have with Gramm-Rudman. The Coast Guard's budget will be tight. However, NCOA is in hope the budget doesn't fall so short that the Coast Guard will have to discharge or release some of its personnel who have been on board for enough years to be considered well-skilled and qualified for arduous duty at sea or on station.

If this occurs, NCOA recommends that sufficient funds be provided in the Coast Guard's budget to pay severance or rehabilitation pay to enlisted personnel caught up in any reduction of force. It is highly discriminating to offer severance pay to most federal employees, including foreign hires, and commissioned officers of the uniformed services, but not one cent to any enlisted member of the regular component. This fund, for example, may be used to pay enlisted personnel, involuntarily released from active duty with five or more years of continuous honorable service, a sum equal to six (6) months basic pay to be used for rehabilitation purposes.

COLA

In the early and mid-1970s NCOA was one of the quasi-military organizations calling for recomputation of uniformed services retired pay. However, Congress insisted on retaining cost-of-living adjustments (COLAs) determined by rises in the Consumer Price Index (CPI). Within the next decade or so Congress reneged any number of times on its initial promise. Two of these occurred in the last three years. For a 10 percent recorded hike in the CPI, uniformed services retirees and their survivors received only a 3.5 percent COLA in Dec. 1984. Nothing was given in 1983 or 1985.

In Dec. 1985 Congress and the President stopped an already programmed COLA to the pay of military and civil service retirees. Congress had earlier approved the COLA, so military and federal civilian retirees and their eligible survivors were anticipating the increase in checks due on or about January 1, 1986. As in 1982, congressional conferees met at the last moment behind closed doors to deny military retirees and federal civilian pensioners their rightful benefits.

NCOA believes these political but highly-questionable actions should cease. It seeks the support of this distinguished panel to advocate the payment of COLAs to retired members of the U.S. Coast Guard, as well as those of other armed forces, and to retired civilian Coast Guard employees. It is only fair and equitable to either deny all a government-financed or sponsored COLA or provide a COLA for all eligible personnel.

RETIREMENT

NCOA is concerned that any adverse modification to the current uniformed services retirement program, even if it is "grandfathered," will be perceived as another deterioration of promised benefits. The proposed changes floating around Capitol Hill have built-in COLA provisions. Since Congress isn't scoring well on keeping its word to current retirees, there's not much hope future retirees will believe this body will sustain a COLA promise in the years to come.

The House Armed Services Committee (as of this writing) has marked-up a proposed new system (H.R. 4420). NCOA refers to it as the "Senior Officers Retirement Protection Act." It devastates the retired income of mid-level Coast Guard Petty Officers (e.g.- E-5s, E-6s and E-7s) to far below minimum poverty levels. Petty Officers in grade E-7, for example, would under the House proposal lose more than $2,000 annually in retired pay, already below poverty level, then have to hope Congress will be generous enough to afford them an occasional COLA. NCOA cannot believe Congress would be so inconsiderate as to "buy" the House Armed Services' proposal. Congress should be able to foresee the damage it will do to our future uniformed manpower picture. The bill should be rejected in favor of a better plan.

OTHER PROGRAMS

A. PAY RAISE. Uniformed Coast Guard pay is lagging some 8 percent in comparability pay with the civilian sector. NCOA advocates adoption of the President's 4 percent increase in servicemember's pay to be effective Oct. 1, 1986.

B. DISLOCATION ALLOWANCE. NCOA agrees with a House subcommittee's [1] rationale to double the dislocation allowance. Recommend reauthorization and funding for FY 1987.

C. PCS INITIATIVES. Coast Guard personnel continue to carry the burden of out-of-pocket expenses when moving under governmental permanent change of station (PCS) orders. Some alleviation occurred last year in the FY 1986 Defense Authorization Act, but more improvement is required so that PCS reimbursements relate closer to those authorized federal employees. NCOA also recommends increases in Household Goods Transportation Allowances.

D. NEW G.I. BILL. The Administration's assessment of and its recommendation to terminate this program in exchange for VEAP are really "far out." It's an excellent program that will assist in aiding the Coast Guard to meet its quality recruiting goals over the next 2 years, or longer if Congress so decrees. The program should be funded in full.

CONCLUSION

In his Fiscal Year 1987 report to Congress, Secretary of Defense Caspar Weinberger begins by stating: "Debate about the defense budget, especially in an era of deficits, rarely focuses on the big picture. Too many of us cannot see the forest for the trees. Even worse, some of us get caught up in the leaves. In an effort to help us all keep some perspective on the forest, let me identify the four central questions each of us should ask ourself in thinking about U.S. defense programs and budgets."

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[1] House Armed Services Subcommittee on Military Personnel and Compensation Report 99-81, Section 611

Mr. Weinberger proceeds with the first three questions then suggests that the fourth is rather difficult to answer- whether our defense budget is being spent wisely and effectively? He falters in providing a response to which is most effective for the price tag, people or weapons?

In relationship to the Coast Guard's budget one might ask a similar question- which is the most effective for the price? If this distinguished subcommittee agrees with NCOA then the answer is the same as for defense: People. By providing the necessary funds for personnel programs the Nation will maintain the most positive manpower readiness capability it has enjoyed with the Coast Guard in any peacetime environment.

-end-

Mr. LEHMAN. Mr. Coughlin.

Mr. COUGHLIN. We thank you for your testimony and appreciate your appearance. Semper fidelis.

Mr. LEHMAN. Mr. Purcell.

Mr. PURCELL. No questions.

TUESDAY, APRIL 22, 1986.

COAST GUARD

WITNESSES

RON STONE, DIRECTOR, GOVERNMENT RELATIONS, NATIONAL MARINE MANUFACTURERS ASSOCIATION

EVE FINCH, PRESIDENT, NATIONAL BOATING FEDERATION

Mr. STONE. Good afternoon.

The National Marine Manufacturers Association, the national trade association for the recreational boating industry, is in favor of appropriating the full level of authorized funds in the boating safety account of the national aquatic resources trust fund for fiscal year 1987, less such amount as may be withheld due to the Gramm-Rudman-Hollings law.

We have no objection to crediting the Coast Guard with an additional one to two percent of the money in the boating safety account to defray costs of administering the state boating safety assistance program as is being proposed by the Coast Guard Authorization Act of 1986.

However, we are opposed to the Department of Transportation's budget proposal to restructure the boating safety account by reducing state boating safety assistance from $30 million to $15 million and crediting the difference to the Coast Guard's operating expenses budget.

Since the Coast Guard itself acknowledges that the states are doing 90 percent of the job in recreational boating safety, law enforcement and education, it is illogical to award the Coast Guard two-thirds of the money in the boating safety account for ten percent of the total effort. We perceive that it is not a question of logic, but of overriding pressures created by the new budget balancing act to produce more revenues for the Coast Guard or see its multiple missions capability scaled back.

It is our position that it is not necesary to maintain the Coast Guard at maximum operating efficiency in the recreational boating safety field; that there are areas in which the Coast Guard can actually save the federal government money by delegating responsibility to the states or contracting out to the private sector; and that recreational boaters will get more mileage for their fuel tax in the boating safety account by having the states match it dollar for dollar for boating safety programs. For the same reasons we are opposed to any attempt to impose additional user fees on recreational boating for Coast Guard services.

Since we testified before the Subcommittee a year ago, the National Association of State Boating Administrators has completed a survey which confirms that the states are capable of matching federal financial assistance for boating safety. The survey also shows that the states are making constructive use of the money in strengthening their marine law enforcement capability, promoting boating safety, education, conducting search and rescue missions, et cetera. We believe that the steady reduction in fatal boating accidents, which reached an all-time low of 6.8 per 100,000 boats in 1984, is attributable to increased state efforts made possible by federal financial assistance. Coast Guard backup is helpful and always appreciated, but the fact is that Coast Guard boating safety detachments have disappeared from the water due to budget restrictions, and recreational boaters in many parts of the country have absolutely no exposure to the Coast Guard.

We ask that the amount of appropriations from the boating safety account withheld because of budget deficit reduction considerations be no more than the across the board spending cuts dictated by the Gramm-Rudman-Hollings law. This is because monies authorized but not appropriated do not remain in the boating safety account for future appropriations. Nor do they lapse to general revenues. Public Law 98-369 provides that any part unappropriated automatically rolls over to the sport fish restoration account where, under the jurisdiction of the Department of the Interior, it will be allocated to the states capable of matching it for sport fish management programs. The loss to the boating safety would be irretrievable; the gains for sport fish management, which already enjoys the benefits of a fund three times greater than the boating safety account, with the added luxury of a continuing permanent appropriation, would be truly lopsided.

The National Marine Manufacturers Association, therefore, respectfully asks the Subcommittee to vote the full measure of funds authorized for state boating safety assistance and recreational boating services ascribed to the Coast Guard for fiscal year 1987, less adjustments to satisfy the Gramm-Rudman-Hollings law.

Thank you very much.

Mr. LEHMAN. Thank you very much for your views.

Ms. Finch.

Ms. FINCH. The members of the National Boating Federation have difficulty supporting the President's fiscal year 1987 budget, wherein recreational boating is being hit for new taxes.

As you know, boating is an exception in recreation because boaters already have user fees attached to their activities through motorboat fuel and excise taxes. These revenues are directed into the Wallop-Breaux trust fund for recreational boating safety and sport fish restoration.

The Wallop-Breaux Act would be weakened in recreation because boaters already have user fees attached to their activities through motorboat fuel and excise taxes. These revenues are directed into the Wallop-Breaux trust fund for recreational boating safety and sport fish restoration.

The Wallop-Breaux Act would be weakened by the administration's budget, as it attempts to direct $15 million from the state boating safety account into the Coast Guard, not for increased boating services, but rather for the operating expenses of the Coast Guard.

You can imagine our dismay when suggestions are made to tax us even further under the banner of user fees, not to pay for services we receive, nor for new services, but rather a new tax for general deficit reduction.

I would like to ask the Committee to maintain the level of funding that the states now receive for boating safety and law enforcement. This funding provides services in areas where the Coast Guard does not have a presence and reserves the Coast Guard in coastal and inland water areas for higher priority missions. In effect, the intent of the Wallop-Breaux fund would be best realized by encouraging the states to provide leadership in boating safety.

Secondly, the Committee should investigate the Treasury Department's current estimates of motorboat fuel tax revenues. At three-fourths of one percent, the federal estimate is meager compared to state figures where motorboat fuel taxes are estimated through sophisticated survey techniques, often demonstrating that more than one percent of the fuel tax in any given state is derived from recreational boating. An accurate federal estimate would uncover approximately $100 million for the Wallop-Breaux trust fund rather than the $72 million currently estimated.

Finally, put aside the concept of new user fees collected from recreational boaters for nonboating expenses. Just getting what we already pay directed into recreational boating would be a great accomplishment and diminish the need for new taxes.

Thank you for your time and if there are any questions, I am most willing to answer them. Thank you.

Mr. LEHMAN. Thank you very much for your testimony.

I wanted to question you on one implication you made that the Coast Guard as far as safety functions, is disappearing. Apparently you are saying that even though the Coast Guard couldn't be everywhere, where the Coast Guard has been customarily providing the safety function they are no longer doing so?

Ms. FINCH. Yes sir, they are having to cut back because they are constantly being pushed into areas—for example, the drug interdiction—and they have had to reduce their efforts where they do not sense a danger, so to speak.

Mr. LEHMAN. I am not asking you to particularly identify names and places and such but if you could, let us know some details about where the Coast Guard has cut, materially, services in certain areas that are related to boating safety, where that is no longer being serviced properly by the Coast Guard. Would you let us know as a matter of record, because it is not the same story we hear from Admiral Gracey?

Ms. FINCH. We would document this for you, sir.

Mr. LEHMAN. Thank you.

Mr. COUGHLIN. Thank you.

Mr. LEHMAN. Mr. Pursell.

Mr. PURSELL. No questions.

Mr. LEHMAN. Thank you for your testimony.

[The requested information follows:]

NATIONAL BOATING FEDERATION
2550 M Street, N.W., Suite 425
Washington, D.C. 20037
(202) 296-4588

April 28, 1986

Hon. William Lehman, Chairman
Transportation Subcommittee
House Appropriations Committee
2358 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Lehman:

During the April 22 hearing before your subcommittee on FY 1987 appropriations for recreational boating safety programs, you asked us to substantiate our point that the funding ratio between the states and the Coast Guard under the Boating Safety Account of the National Aquatic Resources Trust Fund should be kept intact because the Coast Guard has relinquished major responsibility for recreational boating safety to the states.

We stated that the Coast Guard has been cutting back for the past several years. There are no longer any Coast Guard Boating Safety Detachment Teams (BOSDETS) patrolling navigable waters of the United States, and thanks to federal assistance from the motorboat fuel tax trust fund the states are taking over an increasing share of functions such as search and rescue and boat regatta permitting and patrolling.

A 1986 survey by the National Association of State Boating Law Administrators (NASBLA) finds evidence of substantial cutbacks in the number of Coast Guard stations in Alabama, Arizona, Arkansas, the District of Columbia, Michigan, Mississippi, New Jersey, Tennessee, West Virginia, and Wisconsin. Further, according to state boating safety law enforcement authorities there is no Coast Guard presence at all today in Arizona, Arkansas, the District of Columbia, Idaho, Iowa, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, South Dakota, Utah, West Virginia, and Wyoming.

You will be especially interested to know that the Florida Department of Natural Resources in answering the NASBLA survey stated that your state is capable of matching federal financial assistance for boating safety and that it could handle 65% to 70% of boating safety programs and recreational boating search and rescue missions with its allocation of the $30 million authorization. The Florida DNR further states that it carried out between 8,000 and

Hon. William Lehman
April 28, 1986
Page 2

9,000 SARs in 1985. It is significant to note that since Florida started receiving federal assistance from the Wallop-Breaux Fund for increased law enforcement and education the number of recreational boating fatalities has declined from 68 in 1983 to 38 in 1985. Please refer to the enclosed narrative from the Florida DNR for further details of how they are putting Wallop-Breaux funds to good use and relieving the Coast Guard of more and more responsibility in the recreational boating safety field.

Sincerely,

Eve Finch

Eve Finch,
President

Enclosure

cc: George W. Stewart, NASBLA
Major Carroll Henneke, NASBLA

PROGRAM NARRATIVE
Boating Safety

Project Duration October 1, 1984 - September 30, 1986

Recreational Boating in the State of Florida is enjoyed every day of the year by thousands of residents and visitors alike. With over 8,000 miles of Coastal Waters, vast networks of inland waterways, lakes, and rivers, Florida is trully a Pleasure Boaters paradise.

With the means now available through the Recreational Boating Safety Financial Assistance Program the Department of Natural Resources of Florida has been able to greatly increase its Boating Safety Awareness Programs and to iniatiate new programs directed at our Recreational Boaters.

Florida Marine Patrol Training personel have commenced a summer training program in the public school systems, and assist other teaching organizations with adult and junior boaters programs. The Florida Marine Patrol Auxiliary, consisting of 146 certified Auxiliarist conduct Boating Safety inspections statewide, man information booths at fairs and boat shows and assist with Florida's new "Stop Marine Theft" program.

The overall objective is to provide information and training in safe boating to all recreational boaters, thus reducing the number of accidents, fatalities injuries, and the amount of property damage. The ultimate goal would, of course be to reduce the states boating fatalities to zero.

Results and Benefits Expected

The opportunity to contact and inform each recreational boater in the State of Florida, and provide basic boating knowledge and safety regulations would decrease the boating accidents and fatalities. This objective is energetically being pursued by providing public service announcements to radio and television stations, outdoor advertising by the use of billboards, and by providing Marine Dealers with recreational boating safety materials for their customers.

NARRATIVE

State of Florida is expending Federal Boating Safety Funds as follows:

ERSONNEL	- 9 Positions are Funded		
	- 1 Boating Safety Coordinator	Annual Salaries, Benefits & Operating Expenses	$305,295.00
	- 1 Secretary		
	- 7 Marine Patrol Officers		
QUIPMENT	- Patrol Craft and Vehicles for Seven Marine Patrol Officers (Estimated cost each 5 years)		$252,000.00
RAINING	- 12,000 Florida Basic Boating Booklets to Provide Training Aids for Boating Safety Classes		$ 16,961.00
	- Boating Accident Investigation Training is Being Provided for Field Supervisors		
	- 300 Marine Patrol Officers Training for Boating Statutes, Procedures and Operating under the Influence - (Florida has a newly enacted DUI Law.)		$ 12,000.00
PECIAL PROJECTS	- The State has initiated a Task Force Program to bring Federal, State and Local authorities together in the interest of Boating Safety, Law Enforcement, Training, and Equipment needs.		
	- Florida has initiated a new Stop Marine Theft Program		$ 9,172.00
984 HIGHLIGHTS	- In calendar year 1984, the Florida Marine Patrol performed 21,988 Boating Safety Inspections	1/2 HR @ 12.00 X 21,988	$131,928.00
	- In calendar year 1984, 217 classes were conducted with a total attendance of 10,144.	6 HRS @ 12.00 X 217	$ 15,624.00
	- In calendar year 1984, there were 8,158 Water Related Public Services, 7,668 Water Related Public Service Hours, with a total of 144,617 Boating Safety Hours @ 12.00		$1,249,048.00
	- The Florida Marine Patrol purchased 300 First Responder Course Training Manuals, provided Modern Marine Responder First-Aid Kits and certified each Officer with First Responder Training.		$ 22,664.00
		Sub-Total Annual Cost	$2,249,048.00
		Replacement of Equipment Purchase each 5 years at 1/5 of cost	50,400.00
		Grand Total	$2,299,448.00

It is anticipated that all above programs will remain at current level, or increase by an estimated 5-10 percent each year. Federal Boating Safety Assistance will be applied to each expenditure on an equal Federal-State percentage ratio.

This program overview and highlights are not intended to be a complete financial explanation of all state and federal funds expended for the Federal Boating Safety Enhancement Program.

To maintain a full force of 308 fulltime Marine Patrol Officers and 200 Florida Marine Patrol Auxiliary Officers who will conduct law enforcement and boating safety inspections on all the waters of the state; of both state only and joint jurisdiction. In 1984 alone, 21,988 boating safety inspections were conducted, and over 8,000 water related public services were performed.

Conduct in-service training for all fulltime and auxiliary officers; which will include marine safety, boarding, law enforcement, search and rescue, boat handling, CPR and advanced first-aid.

Administer a boat registration and titling system. The State of Florida titles and registers over 500,000 pleasure craft each year, plus documented pleasure yachts and commercially registered vessels. Florida has initiated a format by which outboard motors may now be registered at vessel registration renewal time.

Coordinate with local governments to establish Boating Restricted Zones in heavy activity areas that present safety hazards to the boating public.

Update existing film library with additional programs and equipment to provide to the general boating community, and to maintain literature dealing with safety equipment regulations, safe boating information, registration, titling and numbering requirements for state-wide distribution, so as to be readily available to the boating public.

Improve the Florida Marine Patrol Communications system so as to provide 24 hour coverage statewide. This will result in improved response time to marine emergencies and as a devise for greater officer protection.

Purchase equipment capable of off-shore search and rescue. There are large areas of Coastal Florida where no other agency is available for emergency response to marine disasters or search and rescue missions, and purchase other necessary equipment and supplies to support the Florida Marine Patrol's expanded Boating Safety efforts.

TUESDAY, APRIL 22, 1986.

COAST GUARD

WITNESSES

GEORGE W. STEWART, JR., CHAIRMAN, LEGISLATIVE COMMITTEE, NATIONAL ASSOCIATION OF STATE BOATING LAW ADMINISTRATORS

GENE SPORL, STATE BOATING LAW ADMINISTRATOR OF PENNSYLVANIA

Mr. LEHMAN. The next witness is George Stewart.

Mr. STEWART. With me is Gene Sporl, Boating Law Administrator from Pennsylvania, and with the Chairman's permission, I will make a brief summary of testimony and ask that the written statement be included in the hearing record.

Mr. LEHMAN. Without objection.

Mr. STEWART. First, Mr. Chairman, let me say that our association feels very strongly that the Sportfishing and Boating Enhancement Act of 1984 was a milestone legislation in directing support to our boating public with the tax this group pays on marine fuel used in motorboats. In previous testimony, we applauded this Subcommittee and the Congress on their farsighted approach to the needs of this user group, without placing a burden on the general taxpayer. We are here again today to reiterate our support of this important law.

Fiscal year 1986 is the first year that the states have received the full appropriation of the $30 million authorized, with the exception of a reduction under the Gramm-Rudman law. We were elated to see the Congress acknowledge the need of this user group, in allowing the states to take a more active role in boating safety, boating education, boating law enforcement, both search and rescue and providing public access facilities. We also recognized that this would strengthen our federal-state maritime partnership and hopefully relieve the Coast Guard of many of their responsibilities in this area.

The largest problem we have is in dealing with the tremendous uncertainty over federal funding year to year. It makes it difficult to prudently budget for long term commitments to program improvement with any certainty. The federal funds so far have allowed us to do many things that contribute to safety on the water, such as:

Increased boating safety patrols.

Better boating accident investigations have pointed up causes which are targeted for increased education and enforcement.

Increased training of enforcement officers.

Better communications and enforcement equipment.

Now reaching more boaters with free education classes.

Working toward better statistical data on efforts of alcohol and boating.

The erection of kiosks to provide boaters information on coastal bar crossing, navigation, equipment requirements, rules of the road and related information, including charts.

Erection of wind warning strobe lights across heavily used bodies of water to warn boaters of impending high winds.

Courtesy boat safety inspections.

Conducting boating surveys, which provide critical data for assessing boat use, conflict areas and safety courses.

Handing out free literature on boat noise, sailboarding safety, make way in dealing with large ships, hypothermia, thrill craft, use of life jackets and dealing with alcohol use.

We feel the state program to date is living up to the high expectations of the Congress. We will continue to strive for more innovative use of the funds to better educate the boater and further reduce boating fatalities. However, we cannot over-emphasize that stability is needed if the true fruits of full funding are to be realized. We, therefore, urgently ask this Subcommittee to provide full funding for our state program for fiscal year 1987.

In summary, Mr. Chairman, the National Association of State Boating Law Administrators enjoy a very close working relationship with the Coast Guard. We feel that we complement each other in our joint efforts to make safe and enjoyable boating a reality on our nation's waterways. We are, therefore, pleased to offer our comments before this Subcommittee on the Coast Guard's appropriation for fiscal year 1987.

That concludes my statement.

[The prepared statement of Mr. George W. Stewart, Jr. follows:]

NATIONAL ASSOCIATION OF STATE
BOATING LAW ADMINISTRATORS

Please reply to:

**TESTIMONY OF
GEORGE W. STEWART, JR.
NATIONAL ASSOCIATION OF STATE
BOATING LAW ADMINISTRATORS
BEFORE THE
HOUSE APPROPRIATIONS SUBCOMMITTEE FOR TRANSPORTATION
APRIL 1986**

The National Association of State Boating Law Administrators welcome the opportunity to give testimony regarding the Coast Guard appropriation legislation for fiscal year 1987.

First, Mr. Chairman, let me say that our Association feels very strongly that the Sportfishing and Boating Enhancement Act of 1984 (PL 98-369) was a milestone legislation in directing support to "our boating public" with the tax this group pays on marine fuel used in motorboats. In previous testimony, we applauded this Subcommittee and the Congress on their farsighted approach to the needs of this user group, without placing a burden on the general taxpayer. We are here again today to reiterate our support of this important law.

Fiscal 1986 is the first year that the States have received the full appropriation of the $30 million authorized, with the exception of a reduction under the Graham-Rudman law. We were elated to see the Congress acknowledge the need of this user group, in allowing the States to take a more active role in boating safety, boating education, boating law enforcement, boat search and rescue and providing public access facilities. We also recognized that this would strengthen our Federal-State maritime partnership and hopefully relieve the Coast Guard of many of their responsibilities in this area.

The largest problem we have is in dealing with the tremendous uncertainty over Federal funding year to year. It makes it difficult to prudently budget for long-term commitments to program improvement with any certainty. The Federal funds so far have allowed us to do many things that contribute to safety on the water, such as:

-Increased boating safety patrols;
-Better boating accident investigations have pointed up causes which are targeted for increased education and enforcement;
-Increased training of enforcement officers;
-Better communications and enforcement equipment;

Secretariat: The Council of State Governments, Iron Works Pike, P.O. Box 11910, Lexington, KY 40578, (606) 252-2291

-Now reaching more boaters with free education classes;
-Working towards better statistical data on effects of alcohol and boating, i.e. In California, a two year study showed that in 59% of fatal motorboat accidents where testing could be conducted, alcohol was a contributing factor to the cause of an accident;
-The erection of Kiosks to provide boaters information on coastal bar crossing, navigation, equipment requirements, rules of the road and related information including charts.
-Erection of wind warning strobe lights across heavily used bodies of water to warn boaters of impending high winds;
-Courtesy boat safety inspections;
-Conducting boating surveys, which provide critical data for assessing boat use, conflict areas and safety courses;
-Handing out free literature on boat noise, sailboarding safety, make way in dealing with large ships, hypothermia, thrill craft, use of life jackets (PFD's), and dealing with alcohol use.

The following States have shown a noticeable reduction in boating fatalities:

State	1983	1984	1985
Arizona	15	9	6
Arkansas	15	8	11
California	95	93	76
Connecticut	15	8	4
Delaware	4	0	2
Georgia	36	13	29
Louisiana	73	58	58
Maine	15	12	7
Maryland	26	24	17
Massachusetts	22	21	17
Michigan	56	40	48
Montana	18	2	8
Nevada	10	4	3
New Mexico	5	16	4
North Dakota	2	4	1
Ohio	34	34	23
Pennsylvania	25	23	16
South Carolina	41	35	17
South Dakota	5	6	1
Tennessee	29	26	23
Utah	16	4	4
Virginia	32	22	19
West Virginia	10	7	6
Wisconsin	43	22	22

So as not to mislead the Subcommittee, we must point out that in many States, they have experienced a surge in boating fatalities and in others they are just holding their own. With the ever increasing number of recreational boats on our waterways, this will obviously be a problem that must be addressed with long-range planning and funding to get the job done.

We feel the State program, to date, is living up to the high expectations of the Congress. We will continue to strive for more innovative use of the funds to better educate the boater and further reduce boating fatalities. However, we cannot over emphasize that stability is needed if the true fruits of full funding are to be realized. We, therefore, urgently ask this Subcommittee to provide full funding for out State program for FY'87.

Allowing the States to recoup the Federal marine fuel tax that boaters pay on marine fuel used in motorboats is a prime example of the user fees helping the user. With these funds the States have willingly assumed a major share of what is logically and statutorily a joint responsibility. The States have shown credibility, consistency and resources to reach the boating public. The States have concentrated on establishing an administrative infrastructure, purchase equipment and promote the education and enforcement techniques to stimulate increased boating awareness, and thereby decrease fatalities. We believe that increased State effort should result in savings to the Federal government rather than inordinate additional costs, which would emanate from State curtailment should funding be decreased.

The State Boating Safety Program has a proven track record. We have many times received praise from the Coast Guard and various boating organizations as well as the boating public we serve. To keep this momentum, we ask this Committee to appropriate the full $30 million authorized to the States for fiscal year 1987.

In summary, Mr. Chairman, the National Association of State Boating Law Administrators enjoy a very close working relationship with the Coast Guard. We feel that we compliment each other in our joint efforts to make safe and enjoyable boating a reality on our nation's waterways. We are, therefore, pleased to offer our comments before this Subcommittee on the Coast Guard's appropriation for fiscal year 1987.

Thank you.

Mr. **Lehman**. Is that the testimony for both of you?

Mr. **Sporl**. Yes sir.

Mr. **Lehman**. You know how we have changed the law, how the law has changed on the boating recreation fee. It is now in the appropriations process. We now have an obligation ceiling and we will try to work within those limitations as best we can to help you on that.

Mr. **Stewart**. Thank you, sir.

Mr. **Lehman**. Mr. Pursell.

Mr. **Pursell**. I want to thank you for your testimony.

Tuesday, April 22, 1986.

COAST GUARD

WITNESS

MICHAEL SCIULLA, VICE PRESIDENT, BOAT OWNERS ASSOCIATION OF THE UNITED STATES

Mr. **Lehman**. Mr. Sciulla.

Mr. **Sciulla**. My name is Mike Sciulla. I am Vice President of the Boat Owners Association of the United States, an organization of 200,000 members. I have got this down to about a minute; let me just briefly go over the highlights.

First, I want to thank you for your past support. You approved a $50 million appropriation last year, and I want to urge you to continue releasing the full amount for fiscal year 1987 and I do so for three basic reasons:

Number one, I think it is a matter of simple equity and fairness. I found in talking to a lot of the staff on the Hill, that there is some basic confusion about how this boating safety fund works. As you know, when you go down to the corner gas station and fill up your car with gasoline you are paying that nine cents a gallon federal excise tax. That money goes into the highway trust fund. Well, a boat owner takes his boat over to the gas station, and he, too, pays that nine cents a gallon.

The Congress has said that the money paid by automobile owners should go into the highway trust fund, and Congress has indicated that the money paid by recreation boaters should go into the boating safety trust fund.

I think there has been clear and steady support in the Congress over the last six years for this program. The original authorization of $20 million, that was raised to $45 million, and then in '85, the full proceeds of gas taxes were collected in one adequate resources trust fund.

I think you need to view the Committee's action of appropriating a full amount last year in context. We estimate that since 1980 recreational boaters have paid nearly $365 million in fuel taxes. Of this, $69 million has been appropriated for the boating safety. In other words, boaters are getting back 19 cents on the dollar.

Furthermore, I think the Coast Guard clearly is benefiting from the fuel taxes paid by boat owners. In the last two fiscal years the Coast Guard has received $45 million from this trust fund.

Third, I think the boating safety is working, the funds appropriated by this Subcommittee are being put to good use, Coast Guard expenditure is being reduced and even the administration, which had initially opposed this program, now supports it.

One simple case study I think is very poignant. In 1978 under a Department of Transportation study, they estimated that the states were performing about four percent of search and rescue cases on water. According to the survey conducted in the states by NASBLA recently, 21,545 cases of search and rescue cases were conducted by states this fiscal year. This is one-third of all of the search and rescue cases performed by Coast Guard.

And I should add, as states have increased their boat safety efforts, Coast Guard expenditures directly related to recreational boats have been reduced from 575 personnel in '80 to 190 today. That is nearly a 70 percent reduction, Mr. Chairman.

In addition, program costs dedicated to recreational boating have been cut from $19 million in '80 to $12.3 million today.

Mr. Chairman, the states are doing more and Coast Guard less. This is precisely what was envisioned when the boating trust fund was established. We urge you to continue to provide the states with the necessary funds to do the job, and I will be glad to answer any questions.

[The prepared statement of Mr. Michael Sciulla follows:]

Statement of

MICHAEL SCIULLA, VICE PRESIDENT

BOAT OWNERS ASSOCIATION of THE UNITED STATES
BOAT/U.S.

Washington National Headquarters
880 South Pickett Street, Alexandria, Virginia

Before the

TRANSPORTATION APPROPRIATIONS SUBCOMMITTEE

of the

U.S. HOUSE OF REPRESENTATIVES

Re: Boating Safety Trust Fund

April 22, 1986

Mr. Chairman and Members of the Subcommittee:

I am Michael Sciulla, Vice-President of Boat Owners Association of The United States (BOAT/U.S.). With nearly 200,000 members from all 50 states, this Association is the largest national organization of boat owners in the country.

Mr. Chairman, I want to thank you and the members of the subcommittee for your past efforts which last year finally resulted in a full appropriation of $30 million from the Boating Safety Account of the Aquatic Resources Trust Fund.

I am here today to urge you to continue releasing the full amount, $30 million, authorized under Public Law 98-369. I do so for three basic reasons.

First, a full appropriation is a matter of simple equity and fairness. These trust fund monies are derived from the nine cents per gallon federal excise tax on fuel. As the taxes attributable to motorists go to the Highway Trust Fund for the building and repair of highways, so, too, are the taxes attributable to boaters now being used to improve boating and encourage safety on our waterways.

Second, there has been clear and steady support for this program in the Congress. Initially authorized in 1980 at $20 million, the authorization was raised to $45 million in 1983 to reflect the five cents per gallon increase in the federal fuel tax. In 1985 the Congress again expressed its support for using these taxes to benefit those who paid them when it passed P.L. 98-369. This legislation requires that all of the taxes paid by boaters and sportsfishermen be returned to the states for their boating safety and aquatic resources programs.

And, the amounts appropriated for boating safety have reflected this growing Congressional support. From an initial appropriation of $12.5 million in FY 83, appropriations have risen to the full $30 million authorized.

However, this steady increase should be viewed in context. We estimate that since 1980 boat owners have paid nearly $365 million in federal marine fuel taxes. Of this, only $69 million has actually been appropriated from the Boating Safety Account. In other words, boaters have gotten back about 19¢ of every dollar in gas taxes paid.

Furthermore, it should not be overlooked that the Coast Guard is benefiting from the fuel taxes paid by boat owners. Under P.L. 98-369, the Coast Guard is authorized to receive $15 million from the fund annually. To date, $45 million has been appropriated to the Coast Guard from the fund as partial compensation for the money it spends on boating safety.

In other words, $341 million or nearly $50 million per year since 1980 has been taken directly from boat owners and returned to the Treasury. We believe the nation's boaters have done their part to help cut the deficit. Now is the time to put the funds authorized by Congress to the use for which they were intended.

Third, the Boating Safety Program is working, the funds appropriated by this Subcommittee are being put to good use, Coast Guard expenditures on boating are being reduced and even the Administration, which had initially opposed this program, now supports it.

According to a survey of state recreational boating programs, these funds have enabled 32 states to conduct 21,545 search and rescue cases. This is nearly one-third of the entire amount conducted by the U.S. Coast Guard. In fact, 20 states indicate that they can now handle search and rescue without the Coast Guard. To put this in perspective, a Department of Transportation study conducted in 1976 indicated that the states were only performing 4% of all search and rescue cases. In addition, 40 of the states are now handling regatta permits, a function previously performed by the Coast Guard.

Let me provide just one example of the way the funds you have appropriated are being put to use. According to Fred Nataloni, Boating Administrator for the state of Massachusetts:

> "Our law enforcement and search and rescue capabilities have been dramatically increased with the addition of seven new patrol boats. We have purchased 28 new radios to communicate with vehicles and boats. We have established a fully equipped and trained dive team of twelve officers. Our entire boat registration system has been computerized. More than 40,000 boating safety manuals and 90,000 vessel identification decals have been distributed. And, a mobile van along with audio-visual and VCR equipment have been purchased to enhance our boating safety outreach program."

As the states have increased their boating safety efforts, there has been a concomitant decrease in Coast Guard expenditures related to recreational boating. In fact, the number of Coast Guard personnel dedicated to boating safety has decreased from 575 in 1980 to 190 today. And, program costs have been cut from $19 million in 1980 to $12.3 million in FY 1986.

Mr. Chairman, the states are doing more and the Coast Guard less. This is precisely what was envisioned when the Boating Trust Fund was first established. We urge you to continue to provide the states with the necessary funds to do the job at the level authorized by Congress.

On behalf of our Association members I would like to thank you again for the opportunity to express our concerns. I will be happy to reply to any questions.

Mr. **Lehman**. Thank you very much. You certainly made a firm, strong case for keeping the boating safety tax money in boating safety jurisdiction.

Mr. **Sciulla**. Thank you.

Mr. **Lehman**. Mr. Pursell.

Mr. **Pursell**. No further questions.

Mr. **Lehman**. We will adjourn the hearing until 2 o'clock.

Afternoon Session

Tuesday, April 22, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESS

COLLEEN FIX, COUNCIL MEMBER, FLORIDA COORDINATING COUNCIL ON THE TRANSPORTATION DISADVANTAGED

Mr. **Lehman**. We will reconvene the Subcommittee hearing.

Is Colleen Fix here?

Ms. **Fix**. My name is Colleen Fix, Chairman Lehman and Members of the Committee. I am representing Florida's Coordinating Council on the Transportation Disadvantaged.

The purpose of this council is to coordinate existing social service transportation on behalf of the elderly, poor and handicapped. What we are doing in the state is county-by-county pooling of state and federal dollars to coordinate transportation, which makes a great deal of sense both economically and service-wide.

It never made much sense, for example, for a bus funded through the Older Americans Act to go by my house—I am transportation disadvantaged because of my disability—and not pick me up and take me to work; rather, send another vehicle funded through another source to do that, at a much greater cost.

We are trying to overcome those problems in our state. We ask for your help.

We are looking at two scenarios. One, the best case scenario, is that we can continue with the authorization of Sections 9, 18, and 16(b)(2). If that is the case, we ask that in 16(b)(2) you provide more flexibility in the way that program is done. Right now, we are using that as the major capital outlay to pair to Section 18 in Florida.

We can only use that for nonprofit corporations, and we ask that in addition to that capital outlay we also make eligible, governmental entities. Many of the people doing the coordination are, in fact, governmental entities county-by-county.

In Section 18, we ask for more money. There simply are not enough dollars in the funding source.

Right now, as you may have heard from NASTA, the small urban areas and rural areas are receiving approximately 10 percent of the operating and capital outlay, while the metropolitan areas are receiving 90 percent. We need help for the rural areas.

Finally, we ask that Section 9 be provided with the same flexibility as presently is—that is, for example, Governor Graham will be moving dollars from Section 9 to Section 18. So that to pool transportation, we need the ultimate flexibility.

The worst case scenario, if the block grant of the mass transit—of the highway trust fund is authorized, and that will be a funding source, it will really effectively wipe out transportation for the transportation disadvantaged. It will mean for our state and for other states throughout the United States that we will lose the effects of the work that we have done to try to provide more services.

There is no way we are going to be able to compete with the interests of the roads and the bridges. If that happens—and we fervently hope in the State of Florida it does not happen—we will ask you to appropriate a dedicated source of funding dollars specifically earmarked for the transportation disadvantaged.

Finally, I find it personally interesting from an urban area, doing a lot of work with budget hearings, as well as from a state and federal level, that we can find no study which looks at the cost of not providing transportation to the elderly, poor and handicapped. The cost of institutionalization, of custodial care, as versus living independently in the individual's home with accessible transportation, has never really been addressed.

So, I ask that this Subcommittee appropriate dollars for such a study through an independent agency as perhaps the National Academy of Science. This would help in your planning and would help with those who are advocates for this group and at local areas where we are asking for local match, perhaps facts and figures we don't have now.

In summary, we appreciate your support in the appropriation of Sections 9, 18 and 16(b)(2). Again, without that support, our state would not have coordinated transportation for this important and large segment.

In our state alone, 4 million people fit in the category of transportation disadvantaged. We feel that you will work with us in these recommendations, because it really does make good service and economic sense.

Thank you for your attention.

[The prepared statement of Ms. Colleen Fix follows:]

TESTIMONY
OF
COLLEEN FIX
REPRESENTING

FLORIDA'S COORDINATING COUNCIL ON THE TRANSPORTATION DISADVANTAGED

BEFORE THE

U.S. HOUSE APPROPRIATIONS COMMITTEE
2358 RAYBURN HOUSE BUILDING
WASHINGTON, D.C. 20515

APRIL 22, 1986

CHAIRMAN LEHMAN AND MEMBERS OF THE COMMITTEE. MY NAME IS COLLEEN FIX AND I AM A MEMBER OF FLORIDA'S COORDINATING COUNCIL ON THE TRANSPORTATION DISADVANTAGED. IT IS A PLEASURE TO HAVE THIS OPPORTUNITY TO ADDRESS THIS COMMITTEE ON FUNDING ISSUES AFFECTING THE TRANSPORTATION DISADVANTAGED.

I AM HERE TODAY, NOT ONLY AS A COUNCIL MEMBER, BUT AS A TRANSPORTATION DISADVANTAGED PERSON. I WOULD LIKE TO EXPRESS TO YOU THE NEEDS OF CITIZENS LIKE MYSELF REGARDING TRAVEL TO LIFE SUSTAINING ACTIVITIES.

FIRST, LET ME COMPLIMENT CONGRESS ON ITS EFFORTS IN THE PAST TO MAINTAIN SOME TYPE OF TRANSPORTATION FUNDING THROUGH THE DEPARTMENT OF TRANSPORTATION PROGRAMS. THE SECTION 9, 18 AND 16(B)(2) PROGRAMS HAVE BEEN OF TREMENDOUS ASSISTANCE TO OUR STATE.

I AM HERE TODAY BECAUSE OF THE FUTURE AND ALSO TO REPRESENT THE 4 MILLION DISADVANTAGED CITIZENS BACK IN FLORIDA. ONLY AN ESTIMATED 2 MILLION ARE CURRENTLY BEING SERVED. THESE OTHER 2 MILLION PERSONS NEED YOUR HELP. IF

THEY ARE NOT PROVIDED WITH SAFE AND ADEQUATE TRANSPORTATION, THEIR LIVELIHOOD WILL BE HARMED, NOT TO MENTION THE LONG TERM COSTS TO SOCIETY AND THE TAX PAYERS ASSOCIATED WITH NOT PROVIDING MOBILITY.

AVAILABILITY AND AFFORDABILITY OF TRANSPORTATION WILL SAVE WELFARE DOLLARS BY TRANSPORTING PEOPLE TO JOBS AND BY PROVIDING MOBILITY TO THE ELDERLY, HANDICAPPED AND OTHER TRANSPORTATION DISADVANTAGED. THIS WOULD BE LESS COSTLY THAN THE LONG TERM COSTS ASSOCIATED WITH NURSING HOMES AND EXTENDED MEDICAL CARE FOR THIS TARGET GROUP.

THE DEPARTMENT OF TRANSPORTATION PROGRAMS MUST BE CONTINUED, STABILIZED, AND IDEALLY, EXPANDED IN ORDER TO SERVE THOSE IN NEED. A STABLE AND DEDICATED SOURCE OF FUNDING MUST BE ADDRESSED BY CONGRESS. THE CURRENT MASS TRANSIT ACCOUNT OF THE HIGHWAY TRUST FUND IS NOT ADEQUATE TO MEET THE NEEDS IN FLORIDA. CONGRESS SHOULD CONSIDER SOME TYPE OF ADDITIONAL FUNDING SOURCE EARMARKED, OR DEDICATED SPECIFICALLY, FOR SPECIALIZED TRANSPORTATION SERVICES.

IN ADDITION, MORE CONSIDERATION SHOULD BE GIVEN TO EQUITY IN TRANSIT FUNDING. CURRENTLY, THE SMALL URBAN AND RURAL AREAS (CURRENT SECTION 18 PROGRAM) WHICH ARE HIGHLY POPULATED IN ELDERLY, HANDICAPPED AND LOW INCOME, RECEIVE LESS THAN 10% OF ALL CAPITAL AND OPERATING ASSISTANCE FROM THE U.S. DEPARTMENT OF TRANSPORTATION, WHILE THE LARGER URBAN AREAS, RECEIVE MORE THAN 90%. IT IS TRUE THAT THE NEED FOR TRANSIT ASSISTANCE IS NOT JUST A MATTER OF POPULATION, BUT SHOULD INCLUDE OTHER FACTORS AS INCOME, AGE, ACCESS TO PRIVATE VEHICLES AND ACCESS TO WORK. CONGRESS MUST ADDRESS THIS ISSUE. THE SECTION 18 PROGRAM HAS BEEN A GOOD START IN THIS REGARD, BUT CLEARLY, MORE EMPHASIS IS NEEDED ON NON-URBANIZED AREA SERVICES.

IN SUMMARY, IT CANNOT BE STRESSED ENOUGH, THAT THE ISSUE OF TRANSIT FUNDING MUST BE ADDRESSED IN AN ECONOMICAL AND EQUITABLE MANNER. PUBLIC TRANSPORTATION IS CONFRONTED WITH A MAJOR CRISIS. THERE IS A CRITICAL NEED TO MAINTAIN FEDERAL FUNDING AT STABLE LEVELS WHILE YOU SEEK TO REDUCE OVERALL BUDGET DEFICITS. HUMAN SERVICE FUNDING, AS WELL AS TRANSPORTATION FUNDS, ARE IN JEOPARDY TO TRANSPORTATION RECIPIENTS. THESE CHALLENGES PROVIDE IMPORTANT OPPORTUNI-

TIES TO RESTRUCTURE EXISTING NATIONAL POLICY, TO REFORM THE WAY TRANSIT PROGRAMS ARE FINANCED AND ADMINISTERED AND TO REVISE OUR FUNDING AND SERVICE PRIORITIES. WE ASK CONGRESS TO SUPPORT SUPPORT THESE RECOMMENDATIONS IN ORDER TO CONTINUE AND EXPAND THE MOBILITY FOR THE TRANSPORTATION DISADVANTAGED CITIZENS OF OUR STATE AND THE NATION.

THANK YOU VERY MUCH FOR THIS OPPORTUNITY.

Mr. **Lehman**. Thank you, Ms. Fix.

I am very proud of your statement, especially because you happen to come from South Florida, and if I knew you weren't visually handicapped—you spoke with such clarity—I would think you were using a teleprompter. Your statement clearly indicates how the effects of Gramm-Rudman do not affect those people who are most fundable, that the administration's budget is not taking care of the people on the basis of need as far as public transportation is concerned. And I think this Committee is aware of this, and we are going to do all we can to support your position as best we can under the budget constraints of which you are aware.

I particularly liked your reference in regard to the administration proposal to send the money down into a block grant and not remove discretionary funding from our area. It is the kind of help that we are sometimes able to provide.

Thank you very much for your statement.

I yield to Mr. Coughlin.

Mr. **Coughlin**. Thank you, Mr. Chairman.

I admired your statement. I admire you and thank you very much for being with us.

Ms. **Fix**. Thank you very much. We appreciate your help.

Tuesday, April 22, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

FEDERAL HIGHWAY ADMINISTRATION

WITNESS

HON. VIC FAZIO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. **Lehman**. Mr. Fazio.

Mr. **Fazio**. I want to thank this subcommittee, and particularly you and Mr. Coughlin, for all the help you have given me and the people of the area I represent over the last several years. This is my sixth appearance before the Subcommittee on the Sacramento Light Rail Project, and we all hope that it is the last on this particular phase of funding for this project.

We don't need a great deal of money to make this possible. At this point, we are down to $4.9 million out of the total of $96.2 million in the Interstate Transfer Fund monies that are needed to construct the 18.3-mile system. The project in total will cost $166 million. A breakdown within that number would indicate that the Federal share has been reduced to about 61 percent, with 39 percent State and local.

We have had some problems with the project in recent years, and almost, I think, without exception all of the funds that have been generated to solve those problems have come from the State, local and private sources. We have not gone to general UMTA funds for any of the project at this point. I think is something that makes us a little unique in terms of those who come before this subcommittee for funds for any sort of system for transportation, either heavy or light rail.

It is a very cost-effective system. We have costs something in the nature of $9 million a mile, and that includes both trains and facilities. If you measure that against, say, the $25 million per mile for a freeway in the same area, or compared to other rail systems—for example, the Buffalo system at $102 million per mile, Long Beach at $33 million per mile, or San Jose at $19 million per mile, we have clearly developed a very, very serious solution to transportation problems at bargain prices.

Just to give you a brief update, the system is well underway. We have committed about 90 percent of the funding. Eighty-four percent of the right-of-ways have been purchased. The maintenance and operations facility was dedicated just this spring. Seventeen of the 26 cars have been delivered and are undergoing acceptance testing at the present time. The rest are being assembled in Sacramento. We really have a great deal of community commitment in the next couple of months as we look forward to beginning operation in the next year.

I simply would reiterate our interests in attempting to obtain the remaining Interstate Transfer Fund contribution in this fiscal year.

The other item I would like to touch on is Highway 113, which this committee authorized in fiscal year 1986 in the Continuing Resolution. You provided a $23.5 million authorization. We appropriated $9 million of that. We are hoping that we can find the funds for the second phase of this funding this year because we would like to move forward with the actual construction of the expressway and completion of some of the other public works required—a railroad underpass and the main interchange in this area.

For that to happen, it would be essential that we have the monies available in 1987 so that we can go out to bid and do the work that is required to stay on schedule.

This is a very serious safety problem. It is our regional blood alley. We have a great deal of traffic, some 22,000 vehicles traveling this road per day, a great deal of trucking serving the local agricultural producers and processors. We are talking about expanding from a very narrow two-lane highway, to an expressway that would certainly be adequate for the long run.

We thank the committee very much for making it possible for this project to be authorized and in position to obtain additional funding, I understand the budgetary burdens that you carry.

As a member of the Budget Committee, I have been doing everything I can to reduce them to the maximum extent possible. But, no matter what budget is adopted, we know you are going to have a tight year, and it is difficult to see how you can satisfy all of the people in the requests that have been made. Anything you can do would be appreciated.

Thank you both.

[The prepared statement of the Hon. Vic Fazio follows:]

TESTIMONY BEFORE THE TRANSPORTATION SUBCOMMITTEE OF THE HOUSE APPROPRIATIONS COMMITTEE BY THE HONORABLE VIC FAZIO

Mr. Chairman, Members of the Subcommittee, it is a pleasure to appear before you again this year. I always enjoy my annual visit, for this Subcommittee has been a real friend to the citizens of the greater Sacramento region.

For the past five years, you have approved funding for the Sacramento Light Rail project. This 18.3 mile system is funded out of the transit portion of the Interstate Transfer Fund. As the result of a local decision made in 1978 to withdraw the I-80 bypass freeway and apply the monies to LRT, Sacramento is entitled to 96.2 million ITF dollars. As a result of the Gramm-Rudman reduction of $516,000 out of the FY 86 $12 million appropriation, the balance for Sacramento is now $4.9 million.

In all candor, the Sacramento project, like almost every other rail project has experienced some problems. In this case, however, there has been a real pulling together of the local community. The business and civic leaders, the Mayor, the City Council, the Board of Supervisors, the Regional Transit Board and officials and concerned citizens have come together to resolve the problems. It has been an excellent example of how communities can pull together in support of needed improvements in transportation.

The greater Sacramento area is experiencing a rapid rate of growth. In 1980, the population of the Standard Metropolitan Statistical Area was one million. In the next 15 years, that figure is expected to increase by over 30 percent.

All too often, population booms are far ahead of any community effort to accomodate growth. Sacramento is trying to be the exception to the rule. Thanks to individuals with foresight and determination, this project is well on its way.

Phase I of the project which consists of the route from Watt Avenue/Hwy.80 to 18th and R Streets will be operational by March 15, 1987. Phase II will be operational by September 1987. Of the total $166 million project, 90 percent has been committed; 84 percent of the right-of-ways have been purchased. The Maintenance and Operations Facility was completed in December 1985, and is now being used to maintain the new cars. Seventeen of the 26 cars have been delivered and are undergoing acceptance testing. The remaining nine cars are being assembled in the Sacramento plant. Ten miles of track have been laid, and all of the 14 Substations have been delivered and six have been installed. By November of this year, the Regional Transit Metro division will be fully staffed with 74 people. Twenty-two individuals have already been hired and are on board. Over the past year, we have made tremendous progress. There is still much to be done, and several problems to be solved, but I have every confidence that the local community will be able to move forward and have a rail project that all in Sacramento can be proud of.

As a Member of this Committee and the Budget Committee as well, I am fully aware of the budget constraints that all discretionary accounts are under. I hope, however, that this Subcommittee will be able to appropriate the remaining $4.9 million for LRT in this year's bill.

Mr. Chairman, I would now like to move from rail to highway funding. In last year's Continuing Resolution, this Subcommittee included funding for a very worthwhile and needed project in Yolo County, California—Highway 113.

This road is a heavily traveled 10 mile highway linking Davis and Woodland, two rapidly growing population centers. Over 22,000 vehicles a day, including numerous trucks conveying local agricultural products, use the highway which has four lanes for six of its 10 miles and then narrows to a congested two lanes. This four mile stretch is so dangerous that even during daylight hours vehicles are required to put their headlights on. Locally, the narrow stretch is known as "Blood Alley."

This Subcommittee during the Conference on the Continuing Resolution was successful in getting the full $23.5 million costs of this project authorized, and $9 million apropriated for FY 86. That money will be used to finish the design and to initiate and complete State I which consists of grading the roadway, laying pipes for drainage, relocating utilities and preparing the railroad underpass and the main interchange overpass. One million dollars will also be used for completing the purchase of the remaining right-of-way.

The design of the project is now underway and the initiation of Stage I will begin next year in February, with construction actually starting in June 1987.

This year, I would like to request the $13.9 million needed for Stage II of this project. That stage consists of the actual construction of the expressway, and the completion of the railroad underpass and main interchange overpass. While the construction will not begin until June 1988, contracts will have to be net and equipment and people allocated to the project; therefore, it is necessary to be assured of the availability of funding prior its actual use.

Again, I fully understand the tight budgets that we must operate under. Therefore, I and the thousands of individuals that use this roadway will greatly appreciate anything that this Subcommittee can do to ensure the completion of this essential project.

Mr. **Lehman**. Thank you, Vic.

I know you are busy, and we won't bother you with a lot of questions now. We can always sit and talk and try to work this out. I know the last time on the Highway 113, we had a really difficult time in the conference keeping it from coming unglued. We will continue to work with you on that.

Mr. **Fazio**. I am looking forward to working with you throughout the budget process in the conference committee and on all vehicles we may need to use to keep transportation funded at adequate levels.

Mr. **Coughlin**. Thank you very much, Vic. We appreciate it. We appreciate particularly your work on the Budget Committee and your helping in keeping the whole transportation package together.

Mr. **Fazio**. I certainly appreciate the work this subcommittee does, particularly with regard to general fund revenues, and I hope we can continue to work together.

Thank you.

Tuesday, April 22, 1986.

FEDERAL HIGHWAY ADMINISTRATION

WITNESSES

HON. DAN SCHAEFER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

JIM ALLRED, CHAIRMAN, C-470 INTER-CHAMBER TASK FORCE, DENVER, COLORADO

DWIGHT BOWER, DEPUTY DIRECTOR, COLORADO DEPARTMENT OF HIGHWAYS

Mr. **Lehman**. Mr. Schaefer.

Mr. **Schaefer**. Thank you very much for the opportunity to again meet before this subcommittee, one that certainly has a tough job ahead of it. I will be very brief because I know we have a vote shortly.

When I first came before this subcommittee to speak on behalf of the C-470 Highway Project, its completion seemed distant at best. Construction had already begun, but it was difficult to imagine this fledgling project serving the needs of thousands of Metropolitan Denver residents each day. Today, I am pleased to report that this once remote vision is rapidly becoming a reality.

At times, however, it appeared as though C-470 would always remain only a good idea. In fact, at one point, Colorado officially withdrew its request for inclusion in the Interstate Highway System for construction of then I-470. On September 30, 1977, the Secretary of the Department of Transportation, through the Federal Highway Administration, approved the state's withdrawal request.

The need for the project, however, did not go away. In May of 1980, the Department of Transportation approved the final environmental impact study for the new C-470. Later, in November of 1982—14 years after the formal request for construction of I-470—the first contract for the construction of the new highway was awarded. The process was finally underway.

Last December 7th, I had the honor of attending the opening of the first phase of C-470. Although this represented only the first 10 miles of the 26-mile project, it marked great progress in a 27-year struggle for construction of this much-needed highway. Today, just over four months after its opening, Phase I is servicing more than 25,000 cars daily.

None of this would be possible if not for the efforts of this subcommittee. Each year, despite increasing fiscal constraints, you have recognized the importance of this project and have given our requests your fullest consideration. I can assure you that the residents of Colorado join me in expressing appreciation for your continued support.

Although we have made tremendous progress, more than 14 miles of the highway remain unconstructed. I am before you today to ask that you continue to look favorably on this valuable project and see it through to its completion. We, therefore, request that the remaining $40.8 million in Colorado's Interstate Transfer Fund be allocated for use in fiscal year 1987.

While I certainly understand the severe budget restrictions you are facing for the upcoming fiscal year, making the full $40.8 million available for fiscal year 1987 would fulfill the federal government's contractual obligation with the State of Colorado for transfer projects. By so doing, it is likely that the full 26.1 miles of C-470 would be open to the public by 1989. Colorado's wait would be over.

In my short tenure in the House, I have encountered few projects which stand completely on their own merits. C-470 is certainly one of this select group.

Denver area residents, businessmen and government officials stand united in their support for this vitally needed highway, as exemplified by the testimony of these gentlemen and a letter from the Colorado congressional delegation. I would ask that this letter be entered into the record as part of my testimony. This has been signed by Democrats and Republicans alike.

Mr. **Lehman**. We will receive it.

[The letter referred to follows:]

Congress of the United States
House of Representatives
Washington, DC 20515

April 22, 1986

The Honorable William Lehman
Chairman
Subcommittee on Transportation
2347 Rayburn HOB
Washington, D.C. 20515

Dear Mr. Chairman:

Last year we, the Colorado congressional delegation, wrote to you expressing our strong support of the C-470 project. As you know, this is a greatly needed highway which will serve the rapidly growing sector of the Southwest Denver Metropolitan region.

Thanks primarily to the efforts of you and your colleagues on the Transportation Subcommittee, C-470 was earmarked $25.5 million in discretionary funding last year. We are pleased to report that, as a result of your support, the first phase of the project has been completed, and is already serving more than 25,000 cars daily. Yet this is only a small indication of the project's value, as more than 14 miles of C-470 remain unfinished.

Mr. Chairman, Colorado has $40.8 million remaining in its Interstate Transfer Fund. It is our hope that your subcommittee will allocate the entire amount for Fiscal Year 1987, and make our goal for a 1989 grand opening of C-470 a reality.

Again, we greatly appreciate your past assistance, and ask for your continued support as we approach the completion of this vitally needed highway.

Sincerely,

DAN SCHAEFER

Ken Kramer
KEN KRAMER

Pat Schroeder
PATRICIA SCHROEDER

Hank Brown
HANK BROWN

Mike Strang
MICHAEL L. STRANG

Tim Wirth
TIMOTHY E. WIRTH

Mr. **Lehman**. We have a little bit of a time problem. You have been here before.

Mr. **Schaefer**. Yes, sir.

I will end it right now. I would like to introduce Mr. Jim Allred, Chairman of C-470, and Mr. Dwight Bower, Deputy Director for the Colorado Department of Highways.

[The prepared statement of the Hon. Dan Schaefer follows:]

TESTIMONY OF CONGRESSMAN DAN SCHAEFER
BEFORE THE SUBCOMMITTEE ON TRANSPORTATION

April 22, 1986

Mr. Chairman and members of the Subcommittee:

When I first came before this Subcommittee to speak on behalf of the C-470 Highway Project, its completion seemed distant at best. Construction had already begun, but it was difficult to imagine this flegling project serving the needs of thousands of Metropolitan Denver residents each day. Today I am pleased to report that this once remote vision is rapidly becoming a reality.

At times, however, it appeared as though C-470 would always remain only a good idea. In fact, at one point, Colorado officially withdrew its request for inclusion in the Interstate Highway System for construction of then I-470. On September 30, 1977, the Secretary of the Department of Transportation, through the Federal Highway Administration, approved the state's withdrawal request.

The need for the project, however, did not go away. In May of 1980, the Department of Transportation approved the final Environmental Impact Study for the new C-470. Later, in November of 1982 -- 14 years after the formal request for construction of I-470 -- the first contract for the construction of the new highway was awarded. The process was underway.

Last December 7th, I had the honor of attending the opening of the first phase of C-470. Although this was only the first ten miles of the 26-mile project, it marked great progress in a 27-year struggle for construction of this much needed highway. Today, just over four months after its opening, Phase I is servicing more than 25,000 cars daily.

None of this would be possible if not for the efforts of this Subcommittee. Each year, despite increasing fiscal constraints, you have recognized the importance of this project and have given our requests your fullest consideration. I can assure you that the residents of Colorado join me in expressing appreciation for your continued support.

Although we have made tremendous progress, more than 14 miles of the highway remain unconstructed. I am before you today to ask that you continue to look favorably on this valuable project and see it through to its completion. We therefore request that the remaining $40.8 million in Colorado's Interstate Transfer Fund be allocated for use in Fiscal 1987.

While I certainly understand the severe budget restrictions you are facing in the upcoming fiscal year, making the full $40.8 million available for FY 87 would fulfill the federal government's contractual obligation with the State of Colorado for transfer projects. In so doing, it is likely that the full 26.1 miles of C-470 would be open to the public by 1989. Colorado's wait would be over.

In my short tenure in the House, I have encountered few projects which stand completely on their own merits. C-470 is certainly one of this select group. Denver area residents, businessmen and government officials stand united in their support for this vitally needed highway, as exemplified by the testimony of these gentlemen and a letter from the Colorado Congressional delegation. I would ask that this letter be entered into the record as part of my testimony. ①

Before closing, I would like to once again thank this Subcommittee for its commitment to C-470. As one who has seen the results of your efforts, I can assure you that each dollar the project has received has been put to good use. And as a resident of the Denver Metropolitan area, I can assure you it is a dollar well spent.

At this time, I would like to introduce Mr. Jim Allred, Chairman of the C-470 Task Force, and Mr. Dwight Bower, Deputy Director of the Colorado Department of Highways. These gentlemen can best describe the progress made this year with the funding provided, and demonstrate what we will accomplish with the requested funding.

Thank you Mr. Chairman.

Mr. **Allred**. Thank you, Chairman Lehman and Members of the Subcommittee.

I am Jim Allred, and I serve as Chairman of the Colorado 470 Inter-Chamber Task Force, representing a cross-section of interests in the Denver Metropolitan Area. This is the fifth year that the Task Force has sponsored the C-470 Washington, D.C. delegation, which represents business people, home owners, labor and governmental entities in the Denver Metropolitan region, all of whom are vitally concerned with the early completion of the Colorado 470, or C-470, Project.

When completed, the C-470 Project will be a 26.1-mile long, four-lane parkway located in the southwest Denver Metropolitan Area. The $236 million parkway will connect I-25 on the Denver Metropolitan Area's south side, with I-70 on its west side.

We are here to thank you for your generous help in fiscal year 1986 and to report that the funds appropriated for the project have been put to good use. So much so, that the Task Force and the Colorado Department of Highways jointly sponsored a grand opening ceremony to celebrate the opening of Phase I of the three-phased project this past December.

In addition to my testimony, I have distributed a copy of a booklet entitled "C-470: Building on Progress," which I also submit for the record.

[The booklet referred to follows:]

Colorado 470:

Building on Progress

By the Colorado 470 Delegation
Jim Allred, Chairman
April, 1986

STATE OF COLORADO

EXECUTIVE CHAMBERS
136 State Capitol
Denver, Colorado 80203-1792
Phone (303) 866-2471

Richard D. Lamm
Governor

March 31, 1986

TO THE 99th CONGRESS AND THE
U.S. DEPARTMENT OF TRANSPORTATION:

Phase I of the highway now known as Colorado 470 Parkway is now open, with 9.5 miles of new four-lane parkway serving the people of Colorado. The highway stretches from I-25 to Santa Fe Drive south of County Line Road in Arapahoe and Douglas counties, a giant step toward relieving commuter problems in our growing metro area south of Denver.

The formal opening in December 1985 represented the culmination of more than 27 years of planning and negotiation and modification of the project to meet the special needs of the south suburban area. Now it is time to complete the entire link between I-25 on the south and I-70 west. Recognizing the limited funds available at all levels, we emphasize the need for the highway for public safety and continued orderly growth of the suburban areas.

A group of business, community and government leaders came together in the early 1980s to give a single unified voice to the support of the Colorado 470 project and to use that single voice to advocate maintaining an adequate and reasonable level of funding for Colorado 470. This cooperative effort is a model for public/private partnerships in this time of limited funding sources and growing costs for infrastructure projects.

The Colorado 470 project enjoys the unanimous support of the Colorado congressional delegation, Colorado state government, and the people of Colorado. I give a great deal of the credit for the consensus building to the Colorado 470 Inter-Chamber Task Force, and I urge you to work with their delegation to Washington again this year.

Sincerely,

Richard D. Lamm
Governor

COLORADO 470: BUILDING ON PROGRESS

Presented by
Colorado 470 Washington, D.C. Delegation

Jim Allred, Chairman
David Howlett, Vice Chairman

Members

Vickie Agler, Vice President, Council of Homeowners for a Planned Environment

George Alderman, Chairman, Colorado Highway Commission

Jim Allred, Chairman, C-470 Inter-Chamber Task Force/Lakewood-South Jeffco Chamber of Commerce

Kathy Arnold, State Senator, Jefferson County

Mary Bindner, Lakewood-South Jeffco Chamber of Commerce

Dwight Bower, Deputy Director, Colorado Department of Highways

Dick Brasher, District VI Engineer, Colorado Department of Highways

Joe Dunn, President, Industries for Jeffco

Rich Ferdinandsen, Commissioner, Board of Commissioners, Jefferson County

Lyle Hinds, Lakewood-South Jeffco Chamber of Commerce

David Howlett, Vice Chairman, C-470 Inter-Chamber Task Force/Economic Development Director, City of Littleton

Mike Kay, Lakewood-South Jeffco Chamber of Commerce

Terry Minger, Deputy Chief of Staff, Office of Governor Richard Lamm

Alvin H. "Sandy" Sandidge, Business Manager, International Union of Operating Engineers, Local No. 9

Linda Morton, Councilwoman, City of Lakewood/Chairwoman, Denver, Regional Council of Governments Board of Directors

John Osborn, Centennial Chamber of Commerce

Pat Teegarden, Staff Project Manager-Legislative Affairs, Denver Chamber of Commerce

Bill Thornton, Councilman, Town of Bow Mar/Centennial Chamber of Commerce

Colorado
470: Centennial Parkway
Inter-Chamber
Task Force

Centennial Chamber of Commerce
Lakewood/South Jeffco Chamber of Commerce
Denver Chamber of Commerce
Golden Chamber of Commerce

c/o Allred-Fisher Architects
26 West Dry Creek Circle,
Suite 250
Littleton, Colorado 80120

April 21, 1986

To Whom It May Concern:

This marks the fifth year that the Colorado 470 Inter-Chamber Task Force has journeyed to the nation's capitol to present the case for the Colorado 470 project.

The project continues to enjoy unanimous support from all members of the Colorado Congressional delegation, Governor Richard Lamm, and the people of Colorado as represented by the members of the 1986 delegation.

As Chairman of this year's Task Force and Washington, D.C. Delegation, I am pleased to report that past funding levels approved by Congress and the Administration have been put to good use. As stated in last year's booklet, Phase I from I-25 to Santa Fe Drive was projected to open by December of 1985. I am very pleased to report that Phase I opened on time on December 7, 1985. Work continues on the next leg of the project which is slated for completion by the early part of 1987.

This could not have happened without the support of many people in Congress and the Administration. For this reason, the Task Force, the Delegation, and the people of Colorado thank you for your ongoing support.

Our efforts continue. As you will note in the accompanying pages, we still have more to accomplish. With your continuing help we will finish our task!

Sincerely,

Jim Allred

Jim Allred
Chairman

JA/jh

THE NEED

The task force and delegation sincerely appreciate past Congressional support for the C-470 project. Without that support, motorists southwest of Denver would not currently be using the 26-mile beltway's initial 9½ miles and the Department of Highways would not be designing or purchasing right-of-way for future C-470 construction elements.

This booklet, a continuation in a series of booklets presented to members of Congress and U.S. Department of Transportation officials since 1982, presents the case for maintaining reasonable and adequate funding for the Centennial Parkway.

There are two compelling reasons for maintaining C-470 progress: continuing residential and commercial development south and west of Denver, and the traffic volumes already seen on Phase I of the beltway since its December 7, 1985 opening.

Highlands Ranch, one major development located in the C-470 corridor, was begun in 1981 (zero population) and now houses about 4,000 residents. Eventually more than 90,000 people will live in this one development. Commercial and industrial development has occurred on 78 acres of a potential 1,200 acres planned for businesses.

Ken Caryl Ranch, west of the present C-470 Phase I terminus in Jefferson county, has developed a significant part of its projected 9,139 acres. The residential plan provides for about 17,000 people; some 6,000 people live in Ken Caryl Ranch now and the figure grows by 900 each year. There are 555 acres zoned for commercial or industrial uses. Of these, 100 acres have been platted of which 40 acres are occupied. Overall, the development employs 2,000 people and eventually will provide about 8,000 jobs.

Traffic volumes on C-470 have grown steadily since the December 1985 Phase I opening.

Three months after the four-lane route opened, it carried 18,500 vehicles a day. Traffic engineers estimated that 10,000 to 13,000 of those motorists were diverted from County Line Road along the boundary of Arapahoe and Douglas counties. About 5,000 vehicles had been diverted from other arterials, including Bowles Avenue and Hampden Avenue which are east-west streets miles north of the new Centennial Parkway.

C-470 traffic volumes on April 1, 1986 were closer to 25,500 Average Daily Traffic.

A REQUEST

The Colorado 470 Delegation again strongly urges Congress and the Administration to maintain the increased funding for the C-470 project. Specifically, we request $40.8 million for Fiscal Year 1987. An apportionment of $40.8 million will satisfy the federal Interstate Transfer amount set by Congress in the Surface Transportation Assistance Act of 1982 (STAA82). Another 30.1 million will still be needed to complete C-470. This shortfall is a result of project costs inflating beyond the cap established in the STAA82. The shortfall will grow if the projects are delayed.

THE ISSUE

The larger its funding, the faster C-470's remaining segments may be finished to serve a growing number of potential users.

1. The need for a completed C-470 is even more compelling, seen in residential and commercial development and in the traffic volumes already using Phase I.
2. The Colorado Highway Commission has matched previous C-470 federal funds and has demonstrated a willingness to make state funds available to match any future C-470 federal funding allocation.
3. Money appropriated for the C-470 route can be spent for construction, because the project's concept is completed and individual construction projects have been designed for Phases II and III. Projects advertised to contractors funnel money into the local economy in terms of jobs.
4. Continuing an adequate and reasonable level of funding enables the Colorado Department of Highways to plan C-470 progress more accurately, in terms of manpower needs and construction schedules. In other words, funds made available can be spent more efficiently.

FUNDING

For Fiscal Years 1983, 1984, 1985 and 1986 federal funding for Colorado Interstate Transfer projects totaled $150.1 million ($64.9 million--formula; $85.2 million--discretionary) with $102.7 million ($32.6 million--formula; $70.1 million-- discretionary) going for C-470. Discretionary money greatly accelerated the completion of Phase I and is responsible for accelerating Phases II and III.

To meet the original amount set for Colorado Interstate Transfer projects by Congress in the Surface Transportation Assistance Act of 1982 (STAA82) $40.8 million will be needed in Fiscal Year 1987.

Even with this level of funding, C-470 will require another $30.1 million in federal funds for completion. The STAA82 fixed the Interstate Transfer funding at the level attained as of July 30, 1980. Since that action, construction costs have continued to rise. Of the $30.1 million shortfall, $16 million is directly attributable to increased construction costs. Right-of-way cost increases account for another $11 million of the shortfall. Changed conditions in design account for the remainder. Consistent high levels of funding are needed to help keep this shortfall in check.

The following tables illustrate the level of Interstate Transfer funding received and needed for Colorado's Interstate Transfer program.

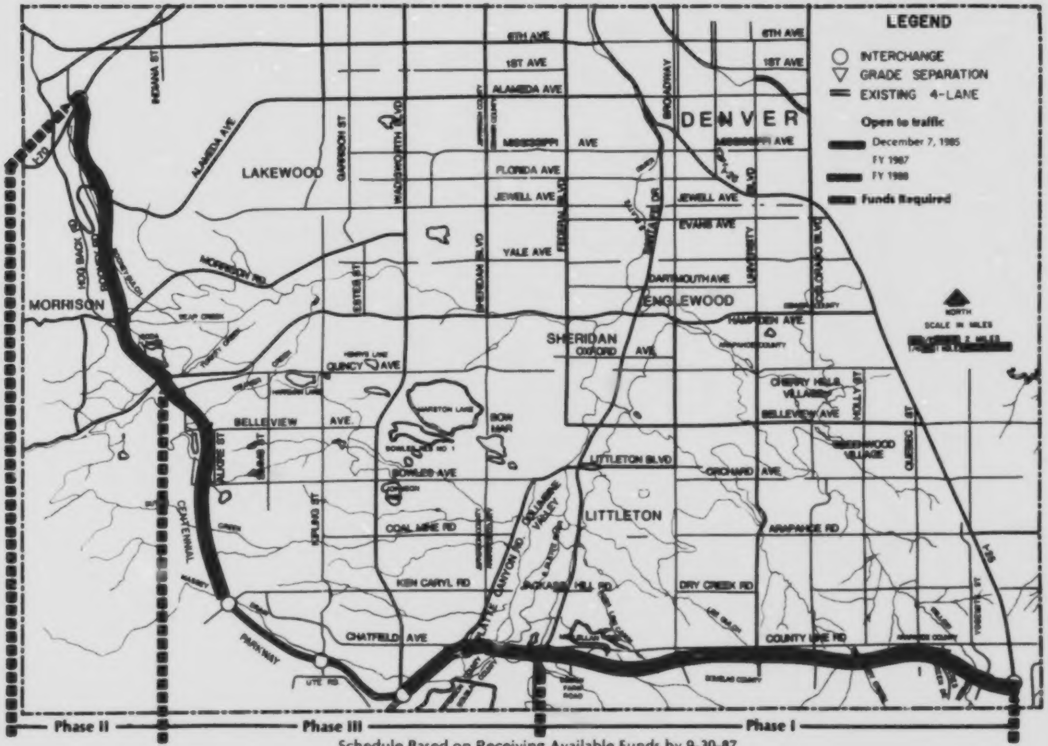
COLORADO 470 FUNDING IN RELATION TO TOTAL COLORADO INTERSTATE TRANSFER FUNDING
(MILLIONS)

	STAA82 Interstate Transfer Funding	Funds Received	Balance Remaining	FY78	FY79	FY80	FY81	FY82	FY83	FY84	FY85	FY86
COLORADO	263.8	223.0	40.8	4.1	28.7	15.2	17.2	7.7	59.1	22.0	31.4	37.6

COLORADO INTERSTATE TRANSFER FUNDING NEEDS
(MILLIONS)

	FY87	FY88 (shortfall)
COLORADO	40.8	30.1

PROJECT AREA



Schedule Based on Receiving Available Funds by 9-30-87

244

THE PROJECT'S CURRENT STATUS

Fiscal Year 1986 saw another increase in funding for C-470. With that boost the Colorado Department of Highways was prepared to efficiently spend the money on specific projects designed to get almost half of the 26-mile-long parkway operational in December 1985.

The following projects have been completed or are underway (see map):

- Phase I
  - Open to traffic December 7, 1985
- Phase II
  - Interstate 70/Colorado 470 interchange -
    All grading is underway.
    Construction on structures will begin in late spring, 1986.
  - Grading for all of Phase II will be underway in FY86.
  - Alameda Structure
  - Rooney Road Structure
- Phase III
  - Ken-Caryl interchange-structures and grading (50% complete)
  - Ken-Caryl to west of Wadsworth-grading and drainage
  - Wadsworth interchange
  - Kipling structures (completed)
  - Kipling interchange
  - Ken-Caryl to Wadsworth Paving (start in summer, 1986)

Right-of-way acquisition continues during 1986 with the following operations to be completed or underway

- Phase I - completed
- Phase II - appraisals and acquisitions underway 25% of the parcels acquired.
- Phase III - 50 percent complete; appraisals and acquisitions continuing

Reasonable and consistent levels of funding could see all of C470 open to traffic in FY 1989.

Retired Justice Stewart, 70, dies; wit, moderation marked career/3

Snow
High 32 Low 12
DETAILS, page [illegible]

Rocky Mountain News

127th year No. [illegible] DENVER, COLORADO © DECEMBER 8, 1985 50 cents in Colorado

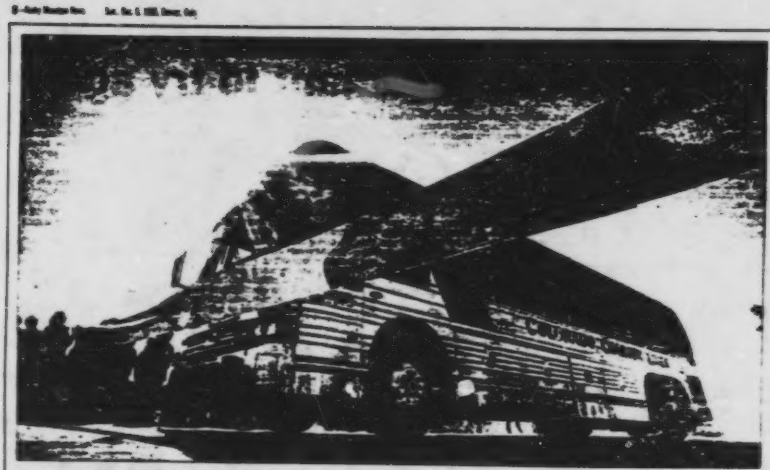
[illegible]/Rocky Mountain News

Ribbon of runners opens C-470

A 10-kilometer road race was part of the festivities that marked the opening of Colorado 470 between Interstate 25 and South Santa Fe Drive Saturday. It was a day of good feelings, in contrast to the early history of the highway that Gov. Richard D. Lamm once promised to kill. Lamm wasn't at the opening ceremony. STORY/8

Auburn's Bo Jackson awarded Heisman/3-S

Risky securities ruin Denver investors/126



[illegible]

A bus carrying dignitaries breaks a ribbon, made of highway blueprints, at the opening of Colorado 470 at South Broadway near County Line Road

Amity in driver's seat at opening of C-470

By SUE LINDSAY

[illegible]

> "We've come a long way since the old days of the silver spike."
>
> Rep. Timothy Wirth, D-Colo.

[illegible]

C-470 spells relief for Tech Center commuters

Workers using County Line Road weary of high-volume traffic, trip dangers

One DTC traveler expects to shave 10 to 15 minutes off daily trip.

[illegible]

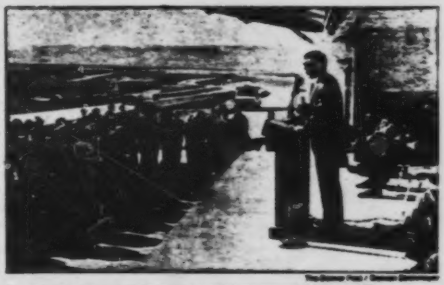
[illegible]

Festive crowd opens long stretch of C-470

12/8/85

[illegible]

Please see HIGHWAY on 14-C



Rep. Schaefer addresses crowd at opening of 9.5-mile segment of Colorado 470.

New stretch of C-470 to ease traffic

HIGHWAY from Page 1-C

[illegible]

Thanks to you, we're running on C-470.

Opening Day 10K Race

On December 7, 1985 the first 9.2 miles of C-470 opened. It's the first leg of this much needed highway loop around Denver and we'd like to thank the Inter-Chamber Task Force for their generous support.

In 1982, the C-470 Inter-Chamber Task Force was established. While the concept for C-470 dates back to 1958, construction didn't begin until 1982. Since then however, this group has testified, lobbied and generally supported federal funding for this project.

On behalf of the Inter-Chamber Task Force, which is proud of its contribution toward making this project a success, we would like to publicly acknowledge and thank the business concerns listed below.

Colorado 470 Inter-Chamber Task Force

Contributors to the C-470 Inter-Chamber Task Force

Central Development Group
Colorado National Banks
Columbine Valley Bank
County Line Barbeque Restaurant
Denver Technological Center
Emkay Development Co., Inc.
Evans Bartholomew, Inc.
The First Banks at
  Academy Park
  Arapahoe Road
  Broadway
  County Line Road
  Governors Ranch
  Tech Center
  Wadsworth
Intrawest Bank Highland
Intrawest Southglenn
Jefferson County
Joint Southeast Public Improvement Association
  Centennial 25 Metropolitan District
  Goldsmith Metropolitan District
  Greenwood Metropolitan District
  Greenwood South Metropolitan District
  Highland Park Metropolitan District
  Interstate South Metropolitan District
  Inverness Metropolitan District
  Orchard Valley Metropolitan District
  Panorama Metropolitan District
  Southgate Corporate Center Metropolitan District
  Southtech Metropolitan District
Ken Caryl Business Center
Ken Caryl National Bank
Lagos Company
John Madden Company
Martin Marietta Denver Aerospace
Mercy Medical Center
Mission Viejo Company
Olson, Schultz & Flowers
Paul Rochester Investments Company
Southwest Properties Venture
Trans Properties, Inc.
Terramar Development Company
Turner Collie & Braden Inc.
United Bank of Arapahoe
United Bank of Southwest Plaza
URS Corporation
Valley Joint Venture
R.S. Wells Corporation

This condition was alleviated with the opening of C470 Phase I

BACKGROUND

The need for a southwest circumferential route in the southern Denver metropolitan area was first cited in a 1958 report prepared by the forerunner to the Denver Regional Council of Governments (DRCOG). Shortly after the Federal-Aid Highway Act of 1968 authorized additional circumferential mileage on the Interstate System, the Colorado Department of Highways requested the addition of Interstate 470 (I-470) to the Interstate plan. I-470 was authorized as part of the Interstate System in 1968 and has been included in regional plans since that time. An I-470 corridor location study was conducted in 1970, and impact studies on parks and recreation resources were conducted in 1971.

In 1972, the Colorado Department of Highways submitted a **Final Environmental Impact Statement** for the I-470 project, recommending a circumferential highway similar to the proposed route location for Colorado 470 (C-470). The statement was reviewed by the Federal Highway Administration and other governmental agencies. Questions arose regarding air quality, alternate modes of transportation, alternate highway alignments, and effects on land use. As a result of these questions and concerns, the Department of Highways was directed by the Federal Highway Administration to revise the I-470 Environmental Impact Statement in June 1975.

The proposed I-470 project became increasingly controversial. It was opposed by Governor Lamm and by special interest groups concerned about the project's impact on the environment. In July 1975, Governor Lamm, responding to the concerns of a great number of citizens, appointed a 12-member panel to analyze compromise solutions and determine whether the I-470 project or some alternative should be built. The panel became known as the I-470 Ad Hoc Commission.

Using Highway Department studies, local government requests, and public input, the commission developed a recommendation. On December 17, 1976, the I-470 Ad Hoc Commission unanimously recommended to the Governor that Interstate 470 be withdrawn and that a portion of the funding be "transferred" to three specific substitute projects which better addressed the transpurtation needs of southwest Denver: Colorado 470 (a four-lane parkway), Santa Fe Drive corridor improvements, and the widening and extension of South Kipling Street. The balance of the "transfer" funds were requested for other worthy transportation projects in the urbanized area in March 1978. Some of these projects emphasized increased high-occupancy vehicle and mass transit use.

The recommendation, as required, was adopted by: the State Highway Commission; Arapahoe, Jefferson, and Douglas Counties; the cities of Littleton and Lakewood; and the City and County of Denver. The recommendation was also endorsed by all municipalities, counties, and service organizations in the affected area. On July 28, 1977, Governor Richard D. Lamm signed the **Interstate 470 Withdrawal-Substitution Proposal** which was submitted to the Secretary of the Department of Transportation for approval. The Department of Transportation, through the Federal Highway Administration (UMTA), approved the proposal on September 30, 1977.

The Draft Environmental Impact Statement was circulated to the public in August 1978. Approximately 150 people attended the Route Location Public Hearing held in September 1978. All who spoke supported the project. After a detailed analysis and public involvement process, the Centennial Parkway access control plan was announced in January 1979. The U.S. Department of Transportation approved the **Final Environmental Impact Statement** and **Section 4(f) Statement** in May 1980, and Route Location approval (environmental clearance) was granted in July 1980.

The Preliminary Design Hearing for Phase I (I-25 to Santa Fe) was held August 17, 1980. Public response to the project design plans for both C-470 and County Line Road was favorable. Preliminary Design Approval of Phase I was given by the Colorado Department of Highways on December 16, 1980. The Design Hearing for Phase II (I-70 to U.S. 285) was held on March 25, 1981, and Design Approval was granted by the Department of Highways on September 11, 1981. The Preliminary Design Hearing for Phase III was held on February 18, 1982 with design approval being granted in May 1982.

During the period between September 39, 1977 and September 30, 1981, $14.2 million was allocated for C-470 which was spent on study, design, and right-of-way. In January 1982, renewed focus was directed toward the C-470 project because the project suddenly faced an uncertain funding future when Colorado received only $7.7 million for all Interstate Transfer projects. C-470's portion of this allocation was $4.8

million. The implications of this low-level funding were enormous. If this level of funding continued on a yearly basis, it would take 32 years to complete the parkway.

Recognizing the seriousness of the funding situation, the C-470 Inter-Chamber Task Force composed of volunteers from four Denver metropolitan-area chambers of commerce--Centennial (Englewood/Littleton), Denver, Golden, and Lakewood--was formed in February 1982 to explore ways to obtain a higher level of funding for the project. After the initial meeting of the task force, the group decided its efforts must focus on the federal level since the majority of the project's funding came from federal sources.

The C-470 Inter-Chamber Task Force's actions culminated in assembling a delegation representing many community groups concerned with the completion of C-470. This delegation journeyed to Washington, D.C. in April 1982 and presented testimony to the House Public Works Committee and the Senate Appropriations Committee Subcommittee on Transportation and Related Agencies. The group also met with then-Secretary of Transportation Drew Lewis.

The effort of the C-470 Task Force, in combination with aggressive leadership by Colorado's Congressional delegation and the Colorado Highway Department, resulted in a vastly improved funding situation for the project in 1983. Congress appropriated $30 million for Colorado Interstate Transfer projects, plus $29.1 million in Department of Transportation discretionary funds which were released in March 1983.[1] Thus, a total of $59.1 million in Interstate Transfer monies were appropriated for Colorado Interstate Transfer projects in 1983. In addition, $1.9 million in "advance right-of-way" money was made available in December 1983.

By the end of Fiscal Year 1983, a total of $60.7 million had been obligated for C-470. This figure represents the total of C-470's share of Interstate Transfer monies for all of the years since the project became eligible for Interstate.

Transfer funds. Because of this dramatic increase in funding for 1983, the Colorado Department of Highways was able to not only continue to acquire needed right-of-way but to aggressively pursue construction of Phase I elements.

In June of 1983, a similar task force delegation met with key members of the House and Senate as well as representatives from the U.S. Department of Transportation. Again, the delegation's efforts resulted in a substantial appropriation for the C-470 project, although the final funding totals for Fiscal Year 1984 were not as high as had been previously secured. Of the $22 million ($11.4 million--formula; $10.6 million--discretionary) went directly to C-470. Since this final funding total for C-470 was not at the same level as in Fiscal Year 1983, a renewed lobbying effort was needed in 1984 to increase that total.

In April of 1984 another delegation composed of representatives from the Colorado Department of Highways and the C-470 Inter-Chamber Task Force traveled to Washington, D.C., to testify before the House and Senate appropriations subcommittees on transportation as well as meeting with key House, Senate, and Department of Transportation representatives. The outcome of this effort was significantly more successful. For Fiscal Year 1985, $10.4 million in formula monies and $21 million in discretionary funds for Colorado Interstate Transfer projects were obtained. Of this #31.4 million in total funds, $17.5 million went to C-470, with the majority of this amount going for Phase I construction.

The C-470 delegation journeyed to Washington, D.C. again in April, 1985. This was the fourth consecutive year for such a trip. The delegation was again allowed to present testimony before the House and Senate Appropriations Subcommittee on Transportation and Related Agencies as well as meet with key House, Senate, and Department of Transportation representatives. Congressional and Administration support for this much needed project was evidenced by a Fiscal Year 1986 allocation of $37.6 million. Of this amount $30.2 million is being spent on C-470.

---

[1] The Interstate Transfer Highway program is the major source of funding for the C-470 project. The $236 million project will receive $153 million from the Interstate Transfer program (including state and local matching funds) with $46.6 million coming from the Interstate program for construction of the I-25 and I-70 interchanges. However, even with these funds, the project still faces a possible $36.1 million shortfall (includes state and local match).

ACKNOWLEDGEMENTS

This booklet was developed by
Colorado 470 Inter-Chamber Task Force

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David Howlett, Vice Chairman

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Colorado Department
of Highways

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Montgomery Ward & Co./
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Board of Trustees-Town
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of Women Voters

Steve Rudy
Arapahoe County Traffic
Engineering Department

Jim Ryan
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Centennial Chamber of
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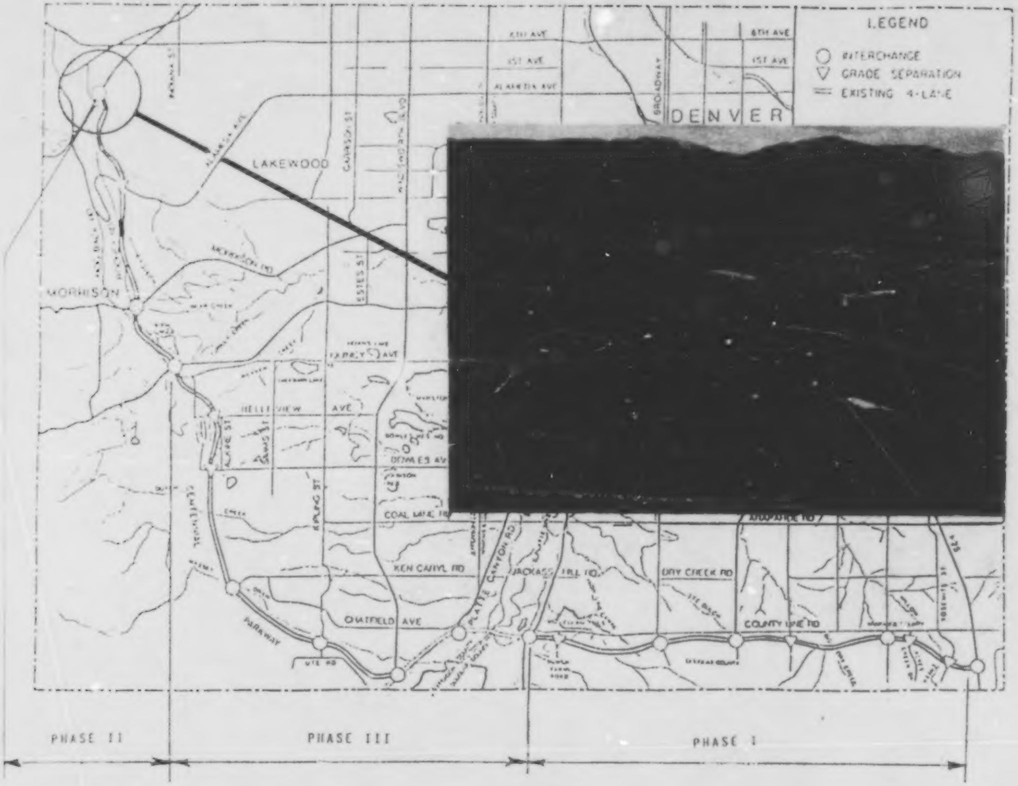
Bernie Zimmer
Prodential Life Insurance Co./
ACCORD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BELLEVIEW AVE
BOWLES AVE
COAL MINE RD
KIPLING ST
ARAPAHOE RD
KEN CARYL RD
PLATTE CANYON RD
JACKASS HILL RD
DRY CREEK RD
COUNTY LINE RD
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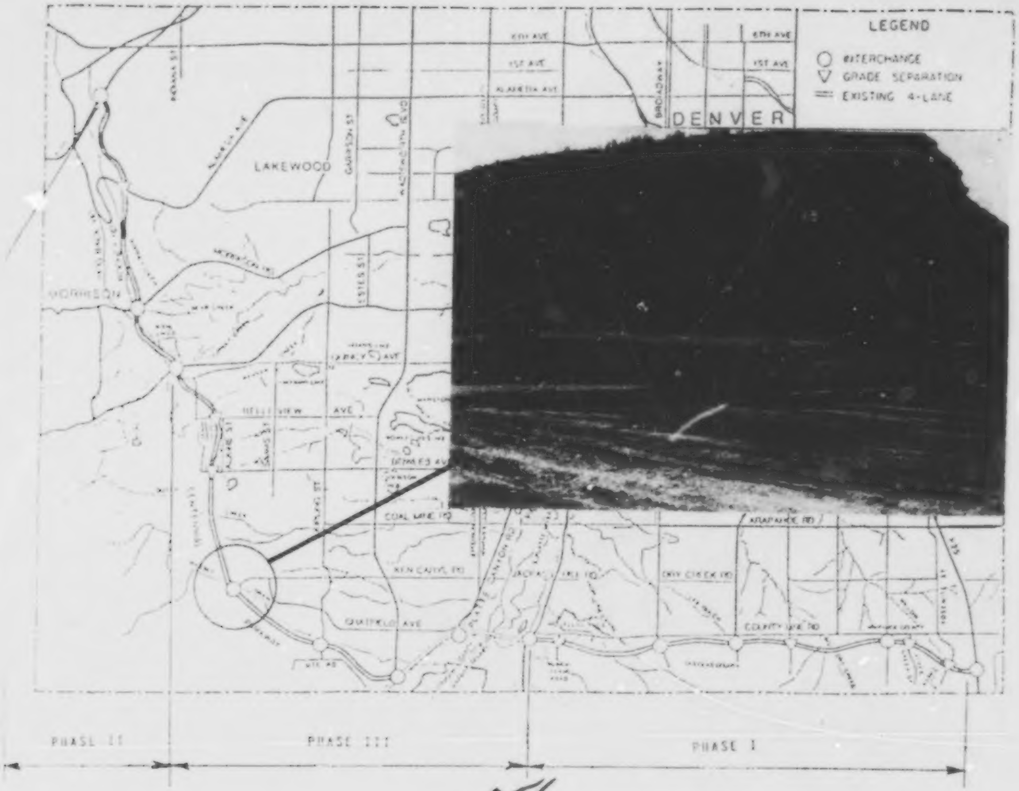
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DRY CREEK RD
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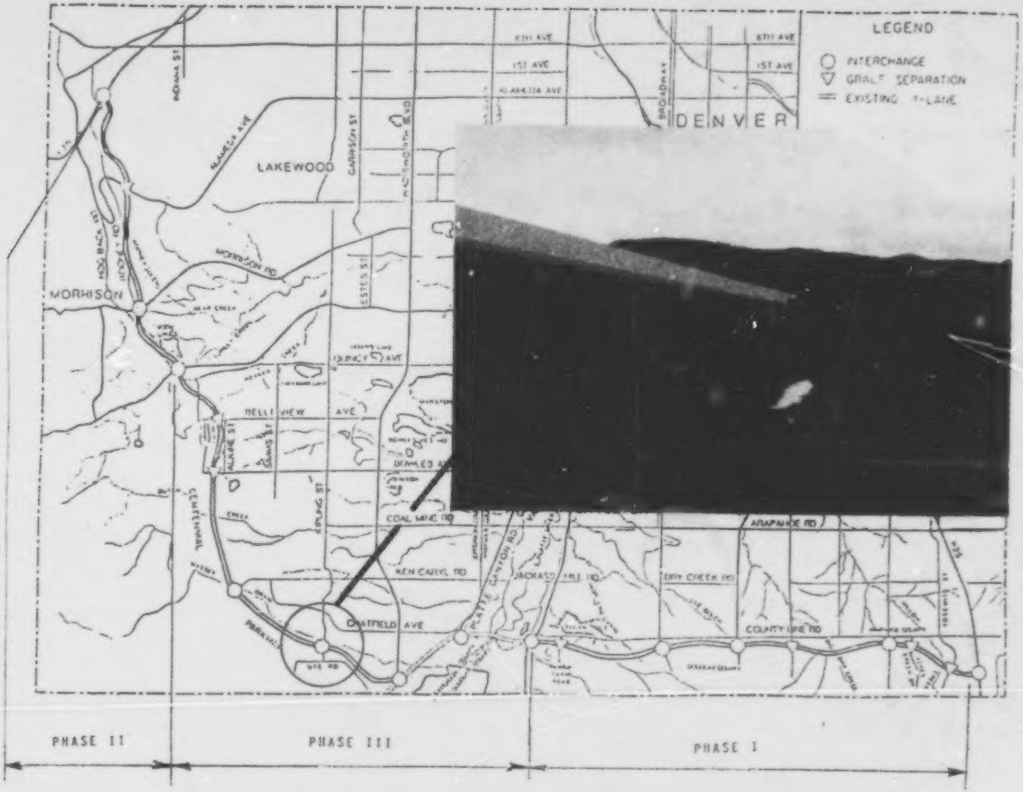
PHASE I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BELLEVIEW AVE
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BOWLES AVE
COAL MINE RD
KEN CARYL RD
CHATFIELD AVE
PLATTE CANYON RD
JACKASS HILL RD
ARAPAHOE RD
DRY CREEK RD
COUNTY LINE RD
PHASE II
PHASE III
PHASE I

Mr. ALLRED. On behalf of the Colorado 470 delegation representing a broad coalition of interest groups throughout the Denver Metropolitan Area and the State of Colorado, we thank you for your solid support in the past and urge you to increase the funding level in fiscal year 1987.

Thank you, Chairman Lehman and Members of the Subcommittee.

[The prepared statement of Mr. Jim Allred follows:]

Testimony Before the House Appropriations Committee Subcommittee on Transportation and Related Agencies

Representative William Lehman, Chairman

April 22, 1986

Jim Allred, Chairman
C-470 Inter-Chamber Task Force

Summary of Request:

The Colorado 470 Delegation, sponsored by the Colorado 470 Inter-Chamber Task Force, offers testimony that substantiates the need for additional funding for the Colorado 470 (C-470) Parkway project and related Colorado Interstate Transfer projects. The C-470 project will be a 26.1 mile-long, four-lane parkway when completed in the southwest Denver metropolitan area. The $236-million parkway will eventually connect I-25 on the Denver metropolitan area's south side with I-70 on its west side. Nine and one-half miles of the parkway opened December, 1985 -- in large part due to previous Interstate Transfer funding made possible through Congressional and Administrative actions. This coupled with an existing 2.2 miles provides 11.7 miles of the eventual 26.1-mile parkway to be open to the public.

Projects Involved:

Specific projects that are being funded through the Interstate Transfer program in Colorado, as well as those completed through the same program include:

- Colorado 470 -- Phase I completed
- Santa Fe Drive (includes Littleton railroad depression)
- Mississippi Avenue -- completed
- Kipling/Independence -- Arvada
- Kipling/Jewell to Hampden -- Lakewood -- completed
- Kipling/Hampden to C-470 -- Jefferson County
- Wadsworth
- Alameda -- completed
- Hampden at I-25 -- completed
- Yosemite -- completed
- 104th Avenue -- completed
- Rideshare project -- completed
- Traffic changes (associated with 16th Street Mall in Denver) -- completed
- 16th Street Mall -- Denver -- completed

Name and Title of Witness:

Mr. Jim Allred
Chairman
Colorado 470 Inter-Chamber Task Force

Mr. Allred is a principal in the firm of Allred-Fisher Architects in Littleton, Colorado, a southwest Denver suburb. Mr. Allred serves as the Chairman of the C-470 Inter-Chamber Task Force, which is a Task Force sponsored by four Denver area chambers of commerce -- Centennial (Englewood and Littleton), Denver, Golden and Lakewood/South Jeffco. The C-470 Delegation sponsored by the Task Force is making its fifth consecutive trip to Washington, D.C. and represents a broad coalition of businesspeople, homeowners, labor groups and governmental entities, all of whom are vitally interested with the early completion of C-470.

Action Requested:

The Colorado 470 Delegation requests that Congress fund Colorado Interstate Transfer projects to the $40.8 million level in Fiscal Year 1987.

STATEMENT TO THE
HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION
AND RELATED AGENCIES
BY THE
C-470 INTER-CHAMBER TASK FORCE
JIM ALLRED, CHAIRMAN

Thank you Chairman Lehman and members of the Subcommittee. I am Jim Allred and I serve as Chairman of the Colorado 470 Inter-Chamber Task Force representing a cross-section of interests in the Denver metropolitan area. This is the fifth year that the Task Force has sponsored the C-470 Washington, D.C. Delegation which represents businesspeople, homeowners, labor and governmental entities in the Denver metropolitan region, all of whom are vitally concerned with the early completion of the Colorado 470 (or C-470) project.

When completed, the C-470 project will be a 26.1-mile long, four-lane parkway located in the southwest Denver metropolitan area. The $236-million parkway will connect I-25 on the Denver metropolitan area's south side with I-70 on its west side.

We are here to thank you for your generous help in Fiscal Year 1986 and to report that the funds appropriated for the project have been put to good use. So much so that the Task Force and the Colorado Department of Highways jointly sponsored a grand opening ceremony to celebrate the opening of Phase I of the three-phased project this past December. In addition to my testimony, I have distributed a copy of a booklet entitled C-470: Building On Progress which I also submit for the records. You will note several examples of the many articles written about the opening of Phase I.

Dwight Bower, Deputy Director of the Colorado Department of Highways, will shortly tell you more about specific progress on the project in his testimony.

We view this as a very exciting development since roughly twelve miles of the 26.1-mile long parkway is now open for use by the public. This is proof that the monies appropriated by Congress are being put to good use and producing results.

For that we thank you! Without your support, these tangible results could not have happened.

However, our needs continue. Growth pressures continue along the C-470 corridor. Two examples illustrate this point:

- Ken-Caryl, a major development at the west end of the corridor, is rapidly developing. This 9,136-acre development will ultimately house 17,000 residents and will contain 555 acres of commercial and industrial ground. Presently 6,000 people reside in the project with 900 people a year moving into the development. Approximately 100 acres of ground is presently platted for commercial and industrial development with 40 acres developed. Roughly 2,000 people are currently employed in the development with an estimated 8,000 people to be employed at build-out.
- Highlands Ranch, a major new development in this corridor, has grown from zero population in 1981 to nearly 4,000 residents today. Eventually, more than 90,000 residents will reside in this one development alone. In addition, more than 1,200 acres of land will be developed for commercial and industrial uses in this same development; 78 acres has already been developed.

These are but two examples of the rapid growth that the C-470 corridor is experiencing.

Maintaining a reasonable and consistent level of funding continues to be the major issue facing C-470. Our desire is to finish the project as quickly as we can. The larger the funding amount that Colorado receives, the faster the project can be completed and opened.

The reasons for this remain the same as in previous years:

1. The need for the C-470 parkway is even more pressing as evidenced by the growth in the southern Denver metropolitan area and the large traffic increases both real and projected.
2. As opposed to more other Interstate Transfer projects which are beginning their concept and design phases, C-470 is under design and a large portion of the project is actually ready for construction. In other words, monies appropriated for the project can be spent for construction. Ultimately, these monies are funneled back into business which strengthen the overall local economy and reduces the unemployment rate.
3. Since the project is under construction, maintaining an adequate and reasonable level of funding makes economic sense. Congress and the U. S. Department of Transportation can get "more bang for their buck" by maintaining an adequate and reasonable level of funding. Inflation continues to be a problem for not only C-470 but for all transportation projects. The difference is that C-470 can be built now.
4. Maintaining an adequate and reasonable level of funding also enables the Colorado Department of Highways to plan more accurately for manpower needs and to better meet construction schedules, thus helping the Department to make more efficient use of funds.

5. The Colorado Department of Highways has demonstrated a willingness to make State funds available to match any federal funding allocation.

The Colorado 470 Delegation again strongly urges Congress and the Administration to increase funding for the C-470 project. Specifically, we request $40.8 million in Fiscal Year 1987. If Congress meets this request, the Interstate Transfer amount for Colorado as set by Congress in 1982 will have been met. It should be noted that another $30.1 million will still be needed to complete C-470. This shortfall is a result of project costs inflating beyond the 1982 cap as set by Congress. The longer that projects are delayed, the higher the costs to finish them.

On behalf of the Colorado 470 Delegation representing a broad coalition of interest groups throughout the Denver metropolitan area and the State of Colorado, we thank you for your solid support in the past and urge you to increase the funding level in Fiscal Year 1987.

Thank you Chairman Lehman, and members of the Subcommittee.

Mr. **Bower**. Thank you. I am Dwight Bower, Deputy Director of the Colorado Department of Highways. I would like to thank Chairman Lehman and the members of this subcommittee for this opportunity to speak.

I had the honor of addressing this subcommittee back in May 1985. At that time, I stated that Colorado was planning to have the first phase of C–470 open to the motoring public by December 1985. I am proud to report that Phase I, the 9.5-mile segment of C–470 from I–25 westwardly to U.S. 85—South Santa Fe Drive—was opened on December 7, 1985. As of the 1st of April, Phase I was carrying more than 25,500 cars daily.

The completed first phase of C-470 is a testimonial to the extraordinary efforts of a great number of people. These efforts would have been wasted, though, had Congress not provided the needed financial resources.

Last year, we requested $40 million for Colorado's Interstate Transfer program in fiscal year 1986, and Congress granted $37.6 million. These funds will result in the completion of the 5.7 miles of grading on Phase II, from I-70 southwardly to U.S. 85, Hampden Avenue. In addition, these funds will provide for the completion of the 3.7-mile segment of Phase III, from Ken Caryl Road south, and east to Wadsworth Boulevard. This segment of Phase III should open to traffic in the summer of 1987.

The discretionary Interstate Transfer funds you have allocated to this project are being used to directly benefit the motoring public.

Colorado has $40.8 million of Interstate Transfer funding remaining in its STAA 1982 allocation. We request that Congress make the total amount available in fiscal year 1987. This would allow us to continue construction on Phase II and III of C-470 and have all 26.1 miles of the highway open to traffic in 1989.

The Colorado Department of Highways is very appreciative of the support you have given us over the years. We look forward to your continued support for this much needed project.

Thank you very much.

Mr. **Lehman**. Thank you very much, all of you. I think this is a very worthy project. I think all of you know the constraints that this committee is under, especially in regard to the Gramm-Rudman limitations; but we will do the best we can.

Mr. **Coughlin**. Thank you very much. We appreciate your testimony.

Mr. **Lehman**. We will recess for a vote, and the Committee will reconvene as soon as we get back.

[Recess.]

Tuesday, April 22, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESS

ROBERT I. SCHRODER, CHAIRMAN, METROPOLITAN TRANSPORTATION COMMISSION, SAN FRANCISCO, CALIFORNIA

Mr. **Coughlin**. I think our next witness is Mr. Robert Schroder, Chairman of the Bay Area.

Come forward, and we will convene the hearing and proceed.

Mr. SCHRODER. Thank you, Mr. Chairman.

Mr. Chairman and Members of the Committee, as Chairman of the Metropolitan Transportation Commission, I am speaking on behalf of the 17 public transit operators who daily provide service to more than a million and a half riders throughout the nine-county San Francisco Bay Area.

I would like to thank the Committee for its history of strong, consistent support for federal mass transit programs, and particularly for Bay Area projects. Thanks to your help, we are moving ahead with several elements in our New Rail Transit Starts and Extensions Plan that was adopted in February of 1984.

Construction of the Guadalupe Corridor Light Rail System is on track. The first segment of rail was laid in January, with testing of the first rail cars scheduled for September. When completed in 1988, the 20-mile system will carry thousands of riders daily between residential areas in South San Jose and high technology firms in Silicon Valley.

The Urban Mass Transportation Administration recently signed a full-funding agreement for BART's Daly City turnback and storage yard, already under construction and scheduled for completion in the summer of 1988. Together with other elements in BART's capital improvement program, the facilities will help to increase the regional rapid transit system's transbay capacity by 70 percent.

UMTA in recent weeks also gave a green light to two alternatives analyses: one for the corridor running from the BART terminus in Concord to the Pittsburg/Antioch area, and the other focusing on the corridor connecting the BART terminus at the edge of Alameda County to San Jose and Silicon Valley.

I am also pleased to report that MTC has reached agreement with San Francisco on a package of projects to be financed with Interstate Transfer funds. As you may be aware, the monies were originally earmarked for completion of the I-280 highway across the city's northeastern waterfront. We are now awaiting approval by the state so that we can get started on a key element of the package: a rail extension that will link the Caltrain Peninsula commute rail line with the city's Muni Metro light rail system.

We are gratified that we have been able to move forward with these critical projects despite the shifting mood toward rail extensions in Washington. But we are also concerned about what the future holds in store for the Bay Area. With every mile of rail and highway costing in the millions of dollars, the status of the Bay Area's mobility in the year 2000 and beyond has become intimately tied to the question of future funding.

The answer to that question may be forthcoming this year with passage of a reauthorization bill for transit and highway programs. Of the various reauthorization proposals now on the table, we are most in favor of H.R. 3129, which essentially would extend the landmark 1982 Surface Transportation Act for another four years. The bill would continue to use gas tax revenues to finance rail transit extensions and other capital projects at the same time that it would sustain the transit operating subsidy program and provide funding for substitute Interstate Transfer projects.

We recognize that the Gramm-Rudman-Hollings Act has put enormous pressure on the Administration and Congress to trim corners wherever possible, and that the nation's transit industry has to stand ready to sustain some cuts. Yet, it is our hope that any reduction in transit spending will be proportionate to cuts sustained by other domestic programs.

This is more than a self-serving notion. The link between a healthy transit system and a healthy economy is indisputable, especially in the Bay Area, where a full 17 percent of workers use transit to get to their jobs.

Which brings me to my final point. An even-handed approach on the part of Congress will enable transit operators both in the Bay Area and across the nation to regroup and hopefully survive this difficult transition period.

What we are really asking for when the cuts come back about, that the cuts be across the board.

Thank you, sir.

[The prepared statement of Mr. Robert I. Schroder follows:]

U.S. House of Representatives
Appropriations Subcommittee on
Transportation and Related Agencies
April 22, 1986

Testimony by Robert I. Schroder
Chairman
Metropolitan Transportation Commission

Mr. Chairman and Committee members, as chairman of the Metropolitan Transportation Commission, I am speaking on behalf of the 17 public transit operators who daily provide service to more than a million and a half riders throughout the nine-county San Francisco Bay Area.

By way of opening, I would like to thank the committee for its history of strong, consistent support for federal mass transit programs, and particularly for Bay Area projects. Thanks to your help, we are moving ahead with several elements in our New Rail Transit Starts and Extensions Plan that was adopted in February of 1984. Construction of the Guadalupe Corridor light rail system is on track. The first segment of rail was laid in January, with testing of the first rail cars scheduled for September. When completed in 1988, the 20-mile system will carry thousands of riders daily between residential areas in South San Jose and high-technology firms in Silicon Valley.

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UMTA in recent weeks also gave a green light to two alternatives analyses: one for the corridor running from the BART terminus in Concord to the Pittsburg/Antioch area, and the other focusing on the corridor connecting the BART terminus at the edge of Alameda County to San Jose and Silicon Valley. While it remains to be seen whether BART, light rail or some other mode makes the most sense for these strategically located corridors, the studies mark an important step in the effort to extend the reach of the Bay Area's transit network.

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I am also pleased to report that MTC has reached agreement with San Francisco on a package of projects to be financed with Interstate transfer funds. As you may be aware, the monies were originally earmarked for completion of the I-280 highway across the city's northeastern waterfront. We are now awaiting approval by the state so that we can get started on a key element of the package: a rail extension that will link the Caltrain Peninsula commute rail line with the city's Muni Metro light rail system.

We are gratified that we have been able to move forward with these critical projects despite the shifting mood toward rail extensions in Washington. But we are also concerned about what the future holds in store for the Bay Area. With every mile of rail and highway costing in the millions of dollars, the status of the Bay Area's mobility in the year 2000 and beyond has become intimately tied to the question of future funding.

The answer to that question may be forthcoming this year with passage of a reauthorization bill for transit and highway programs. Of the various reauthorization proposals now on the table, we are most in favor of HR 3129, which essentially would extend the landmark 1982 Surface Transportation Act for another four years. The bill would continue to use gas tax revenues to finance rail transit extensions and other capital projects at the same time that it would sustain the transit operating subsidy program and provide funding for substitute Interstate transfer projects.

Deliberations on the long-term issues associated with program reathorization, however, necessarily must take a back seat to the much more pressing issue of appropriations for the upcoming fiscal year. We recognize that the Gramm-Rudman-Hollings Act has put enormous pressure on the Administration and Congress to trim corners wherever possible, and that the nation's transit industry has to stand ready to sustain some cuts. Yet it is our hope that any reduction in transit spending will be proportionate to cuts sustained by other domestic programs.

This is more than a self-serving notion. The link between a healthy transit system and a healthy economy is indisputable, especially in the Bay Area,

-more-

where a full 17 percent of workers use transit to get to their jobs.] For heavily traveled corridors and urban cores, the figures are substantially higher -- for instance, nearly 50 percent of the workers whose jobs are in downtown San Francisco commute by public transit.

The connection between business and transit hasn't escaped the attention of private developers, who hope to capture the benefits of public transit by investing in joint-development projects in the vicinity of transit stations. The planned construction of a major hotel at the Pleasant Hill BART station is the most recent of such ventures in the Bay Area.

In closing, I would like to point out that the Bay Area is a microcosm of the nation. We encompass both densely developed urban cores and picturesque rural agricultural lands; nearly every conceivable transit mode, including buses, trolleys, light rail, heavy rapid rail, conventional ferries and high-speed catamarans; old, well-established transit systems that have been in existence for upwards of 100 years and new, state-of-the art transit systems that are just getting off the ground. Our modal and geographic diversity means that every federal transit aid program now in place is of vital significance to us, including the Section 9 formula grants that provide operating subsidies to urban transit operators; the Section 18 formula grants for rural transit operators; and the Section 3 discretionary grants that are helping to pay for our rail extensions.

[Which brings me to my final point.] As the members of Congress sharpen their scalpels in anticipation of the budget trimming ahead, I would ask that you deal with the various transit programs in an equitable manner rather than taking the Administration's approach of targeting certain programs -- such as urban operating subsidies -- for major surgery.

[An even-handed approach on the part of Congress will enable transit operators both in the Bay Area and across the nation to regroup and hopefully survive this difficult transition period.]

Thank you for this opportunity to voice our concerns.

Mr. Lehman. You took the words out of my mouth. That may not be the way the cookie crumbles, but you made a forthright statement.

Mr. Schroder. We certainly appreciate your consideration.

Mr. Coughlin. Thank you. We appreciate your statement and agree with your thesis.

Mr. Schroder. Thank you very much.

Mr. Lehman. Mr. Pursell?

Mr. Pursell. Thank you.

I have traveled the BART system. I think it is one of the better systems. I know it has taken a long time to build it. You started in what year?

Mr. Schroder. Well, I walked precincts back in the early 1960s to get the bond issue through.

Mr. Pursell. It has been a long time.

Mr. Schroder. Yes, sir. I think the gratifying thing that we see in the Bay Area, that is working with the private sector. The private sector is, through cooperation of local government, pursuing as much local funding as possible for both operations and for capital improvements.

Mr. Pursell. Thank you very much.

Mr. Schroder. I thank the Committee for your consideration.

Tuesday, April 22, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESSES

HON. NORMAN Y. MINETA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

HON. DON EDWARDS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

ROD DIRIDON, CHAIRPERSON, TRANSIT DISTRICT, SANTA CLARA COUNTY, CALIFORNIA; CHAIRPERSON, JOINT POWERS BOARD, GUADALUPE CORRIDOR; AND CHAIRPERSON, MASS TRANSIT AND RAILROADS, NATIONAL ASSOCIATION OF COUNTIES

Mr. Lehman. Norman Mineta.

Mr. Mineta. Thank you very much, Mr. Chairman. I am delighted to be here today, and want to thank you for this opportunity to testify.

I am here today for two reasons. I want to thank you and the other members of the subcommittee for your support of the Guadalupe Corridor Project so far. Guadalupe will be a model for transit development across the nation, and we truly could not have built this system without your continued support. The people of my county are truly grateful.

I am also here today, along with my colleague and friend Don Edwards, to introduce Rod Diridon, the Chair of Santa Clara County's Transit District and the Guadalupe Corridor Joint Powers Board. Rod will testify in detail about our needs for 1987.

I realize that time is very limited today, Mr. Chairman, so with your permission I will turn the discussion over to Rod at this point.

Mr. **Lehman**. Thank you.

Rod, thank you for your hospitality when we were out there.

Mr. **Diridon**. Mr. Chairman, it was our pleasure.

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity you have given me to appear before you today to tell you the progress we have achieved in construction of the Guadalupe Corridor Light Rail and Transit Mall Project in Santa Clara County, California, and to relate to you the views of the National Association of Counties regarding federal transportation policy.

I am Chairperson of the Transit District in Santa Clara County, Chairperson of the Joint Powers Board for the Guadalupe Corridor Project, and Chairperson for Mass Transit and Railroads for the National Association of Counties.

Santa Clara County has the great good fortune and wisdom to have elected as its representatives in this body the Honorable Don Edwards and the Honorable Norman Y. Mineta, without whose exceptional leadership we could never have begun to solve our area's critical transportation problems. We know, in these fine men, we have the best representation we could possibly have.

I am, therefore, very proud to tell Norm and Don and the members of this committee what we regard as our remarkable success in the construction of the Guadalupe Corridor Light Rail and San Jose Transit Mall Project. Since the full funding contract was signed in 1984, we have progressed both on schedule and under budget.

The project will be built with $258 million of federal funds, a combination of Section 3 and Section 9 funds. The remainder has been financed with local and state funds. I believe our project is an excellent example of the federal-state-local partnership in transportation, which the federal transit program was created to encourage.

Now let me tell you where we are. The light rail vehicle maintenance facility is nearly completed and will be dedicated on May 29, a ceremony to which you are invited to be our honored guests. The first vehicle, a picture of which has been provided to you, has arrived in San Jose and has been assembled. The remaining cars are scheduled for delivery before August 1987.

The vehicle testing track is under construction; systems installation will begin in May and be completed in the fall. The North Service Segment, described on the provided project map, is under construction and is scheduled for revenue service in late 1987 between the Civil Center in San Jose and the City of Santa Clara.

The preliminary work on the San Jose Transit Mall Area, per the map provided, is nearly completed; construction on the mall will begin this summer and be completed by the end of 1987. Then, the South Service Segment will be completed and full revenue service on the entire system will occur by late 1988.

To complete the Section 3 portion of the project, Santa Clara County now needs the final $18.5 million designated from Section 3 in our full funding contract with UMTA, the last 5 percent of the total project. We request that you earmark this last portion of funds in federal fiscal year 1987 to enable us to confront the horrendous traffic problems which plague the Santa Clara Valley. The members of this committee have already heard much about our phenomenal growth and consequent need to ease transportation to prevent stagnation or economic deterioration.

Regarding your general budget deliberations, we oppose the severe cuts in Section 9 being proposed by UMTA. UMTA required that all of our property's Section 9 formula capital assistance be used to supplement the Section 3 portion of the Guadalupe Corridor. The administration-proposed reduction in Section 9 formula funds would seriously affect the on-time completion of the project.

As Chairperson for Mass Transit and Railroads for the National Association of Counties, NACo, I also would like to make several comments on behalf of other county officials. NACo represents over 2,100 counties, located in every state in the country. Counties provide a range of transportation services, including the construction and maintenance of highways, roads, and bridges; public transit; and the operation of airports.

While not all counties are involved in all transportation modes, it is important to recognize that transportation is often the primary, most costly, and most utilized service furnished by county governments to their citizens. Federal assistance goes to approximately 300 county-owned transit systems, 383 airports, and toward maintaining over 210,000 miles of county roads.

The administration's fiscal year 1987 budget cuts deeply into programs which are vitally important to local government. Domestic spending for grants-in-aid has already decreased by 23.5 percent in real terms between fiscal years 1980 and 1985. Many of these cuts, including those in transportation, were accepted by counties in order to do their share in reducing the deficit.

It now appears that the cuts we took were used to fund non-domestic spending, such as defense, which increased 39.9 percent between 1980 and 1985. However, the deficit, which we were called on to help reduce, has grown from $73.8 billion in 1980 to well over $200 billion in 1985. This reality makes it very difficult for county officials to support further cuts in federal programs.

Because of its concern in the transportation area, NACo has paid close attention to the development of the administration's fiscal year 1987 budget and the programmatic changes it has proposed to implement the budget. While as local officials we like flexible federal programs, we see serious problems with the administration's block grant proposal.

Highways and transit are distinct modes of transportation and require their own separate sources of funding. In addition, the administration would have $3.3 billion in block grants replace $5.5 billion in program funds from the prior components.

The Federal Highway Program should be funded at least at the $13.5 billion obligation level, as contained in the reconciliation legislation. Our particular concerns are the urban and secondary road programs and the off-system bridge program, which represent approximately 15 percent of the Federal Aid Highway Program. The $1.2 billion which UMTA provides for transit is totally inadequate.

NACo urges that the Section 3 and 9 programs be retained, and that, at a minimum, funding be no lower than the current fiscal year. We would like the Subcommittee to fund operating assistance at least at the $875 million level.

NACo also urges the Subcommittee to consider spending all of the $1.9 billion the Congressional Budget Office estimates will be raised from mass transit's one-cent share of the gas tax.

NACo policy also supports the federal commitment to rail service. We recommend Amtrak funding for fiscal year 1987 at $606 million, and for local rail service assistance at $10 million, levels which are in the recently adopted reauthorization legislation for both programs.

In regard to the airport program, we would support funding at a level at least equal to the current fiscal year.

This completes my statement. Thank you for your prior support. I would be glad to answer any questions the Members of the Committee may have.

Mr. LEHMAN. I want to thank you for your hospitality and your offer of a visit out there. I will do what I can. The county airports don't have anything to worry about as long as Norm Mineta is here.

I just have one question. You probably know Harvey Rubin of the National Association.

Mr. DIRIDON. Yes, sir; very well.

Mr. LEHMAN. I am trying to pin him down on something. You are opposed to these proposed cuts. I haven't seen any position that NACo has taken on the possibility of a tax increase, a new tax. Do you have any position on that?

Mr. DIRIDON. We don't have a position yet, but I can tell you that the Chairpersons of the overall Transportation Steering Committee did discuss with us, and as did the potential of the significance of a gas tax increase that would be used to create trust funds for both highways—adequately funding the Highway Trust Fund, but also establishing a well-funded trust fund for mass transportation.

Mr. LEHMAN. Two or three cents?

Mr. DIRIDON. You would have to add a zero to that in order to make it worth enough.

Mr. LEHMAN. Mr. Coughlin.

Mr. COUGHLIN. Thank you, Mr. Chairman.

I want to welcome Rod and our very distinguished and esteemed colleague, Norm Mineta, who serves you very, very well indeed in Congress.

I just have one question. You indicated the Santa Clara project was ahead of schedule and budget?

Mr. DIRIDON. On schedule and under budget.

Mr. COUGHLIN. On that, how much under budget is it?

Mr. DIRIDON. It depends. It is tough to grab ahold. It is a rapidly moving project. But it is anywhere from one and fifteen—depending upon the last bids we are getting through right now, between $1 million and $15 million under budget, is a safe way of putting it. And I am sorry to be so vague, but we are really going through a lot of contracting right now.

Mr. COUGHLIN. Thank you.

Mr. PURSELL. I may be wrong, but I thought I saw a figure where it says California got 31 percent of the defense procurement money.

Mr. DIRIDON. Well——

Mr. PURSELL. You do pretty well in California.

Mr. Diridon. We have builders who unfortunately hadn't learned to build transportation systems.

Mr. Lehman. We thank you.

[Recess.]

Tuesday, April 22, 1986.

FEDERAL AVIATION ADMINISTRATION

WITNESSES

HON. JOE SKEEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

GILBERT DeVORE, PRESIDENT, DeVORE AVIATION CORPORATION, ALBUQUERQUE, NEW MEXICO

Mr. Lehman. Mr. Skeen, do you have your people with you?

Mr. Skeen. Yes, sir. Mr. DeVore is here.

Would you like to have him come up, then?

Mr. Chairman, it is indeed a pleasure for me to take a few minutes of the Subcommittee's time to introduce Mr. Gilbert DeVore, President of the DeVore Aviation Corporation of Albuquerque, New Mexico.

DeVore Aviation is the manufacturer of the pulsed light approach slope indicator, or PLASI, a visual approach gliding slope indicator which was approved for federal funding under the Airport and Airway Improvement Act in August of 1982.

The subject of Mr. DeVore's testimony this afternoon surrounds an FAA directive issued in 1985 which rescinded that prior approval of federal funding in the interest of standardization.

Following extensive discussion with the civil aviation community and hearings before this subcommittee, an amendment was adopted to the fiscal year 1985 supplemental appropriations bill holding the FAA order in abeyance pending a notice in the Federal Register and providing sufficient time for comment by the general aviation community.

Since that time, Mr. Chairman, the overwhelming sentiment of the aviation community's response to the directive has been negative. Also, we recently learned that the United States Air Force, having completed extensive and comprehensive evaluation test of visual approach systems, has approved the PLASI for use at all Air Force bases in all Air Force commands. In addition, a number of foreign governments have contracted with DeVore Aviation to purchase their system.

Despite these facts, Mr. Chairman, the FAA seems determined to push ahead with their standardization plan in the interest of safety. As a pilot myself, and upon a closer examination of the complexities involved with this issue, I am convinced that the FAA is flying an uncharted and dangerous course. In fact, information recently obtained under the Freedom of Information Act suggests that the FAA Administrator totally disregarded the opinion of his own policymakers on the issue of safety.

Mr. Chairman, I don't want to take any more of the Subcommittee's time. Mr. DeVore's statement speaks for itself. However, I would like to send a message to the FAA; that, if they refuse to yield on this issue in the near future, I will strongly urge the Committee to adopt even stronger language in this year's bill suspending once and for all their onerous order for federal funding of visual glidescope indicators.

Mr. Lehman. Thank you. I know we did put such language in the supplemental last year.

Mr. Skeen. We certainly did. I appreciate that. But since that time, it has been disregarded, and so we are going to take another shot at it.

Mr. Coughlin. I want to thank you. He does good work.

Mr. Lehman. Next year, when we have the FAA in front of us, you ought to be up here and maybe talk to the Admiral at that time.

Mr. Skeen. I would appreciate that very much.

Mr. Lehman. I hope it is resolved before that.

Mr. Skeen. We had a good relationship in most cases. It seems once in a while we will hit on snags, take a bureaucratic turn, and of course we have those discussions all the time. I would enjoy having a give and take session with them.

Thank you very much.

Mr. Lehman. Do you have any questions, Mr. Wolf?

Mr. Wolf. No. I think Mr. Skeen answered them all.

I, too, appreciate you taking the time today to come up.

Mr. DeVore. Mr. Chairman, Congressmen, Congressman Skeen sort of set the stage so I won't repeat the introduction here.

But the public comments that were ordered by this committee last year were analyzed by the Administrator to show that those supporting his position were about 6,500 in number, and those opposed were 1,000. The supported responses, however, consisted mostly of ALPA members who were directed to send in postcards by the union management. An independent analysis of the comments indicated that this aviation community was opposed to the order in the ratio of 7 to 1.

To support his position, the Administrator has ignored the decision of the previous Administrator who approved taking a point of his own safety organization, Aviation Standards; oversight prerogative of the Congress, U.S. Air Force approval of both PLASI and PAPI; the 265,000 pilot members of AOPA, NATA, NASAO, and other aviation organizations non-affiliated with the airlines; the comments of respected scientists and behaviorists who have evaluated the proposed order and his responsibility to respond and rationale the comments of those who responded to the notice of August 26. Both notices contain essentially the same statements.

Four basic issues were offered in the order. These are: proliferation, international agreements, costs, and safety. None of these were addressed by the FAA rationalization.

The independent analysis, however, clearly confirms that the administration position is lacking in scientific or behavioral analysis, shows no supporting evidence of proliferation, eliminates competition causing the government to sustain higher costs, produces no data suggesting safety problems exist, and shows no evidence of standardization promotes safety in fact.

In the absence of such information, the Administrator said that the burden is on the aviation community to show the standardiza-

tion is unnecessary, whereas the burden should be on the Administrator to show that standardization is necessary.

Standardization is an elusive concept. First of all, FAA approves PAPI system has five sector signals. Then they approve a VASI system with a three sector signal. What is standard—three sector or five?

The Administrator says it is my judgment that a pilot should see the same visual preparation at all airports. Our observation is it varies within the PAPI system itself.

The FAA wants to standardize one system. ICAO has standardized on three. The reality is that standardization cannot be achieved. There are more than 12,000 airports in the United States, and including 6,000 public use airports and approximately 3,000 PASI system. And there are no provisions for removing these systems.

These systems were installed over a period of more than 20 years. And despite this long-term effort, only 10 percent or less all the runway directions have VASI.

Funding only PAPI will not improve the situation. Due to the budgetary constraints, it is unlikely that this FAA will fund systems as they have in the past. Therefore, it appears unlikely that more than 5 percent of the runway directions will have PAPI systems after the next 20 years of funding. Probably none of the VASI, except for those on international airports, will be replaced.

The balance of the runways in this country, more than 25,000 directions, will install the most economical system independent of standardization or federal funding. It could be PLASI. It is evident that this fantasy of standardization will be impossible to achieve.

Under the Freedom of Information Act, we received copies of the agency's record on all aspects of this action. No safety problems were disclosed. The FAA Office of Airport Standards has continuously raised the safety issue hypothetically and the notion has been consistently rejected by former Administrators and FAA's safety organization, Aviation Standards.

Airport Standards authored the issue, the notice, the decision. This Administrator's handwritten comment on the Airport Standard's notice was, and I quote, "I think we have a less strong presentation for PAPI than we should . . . If you can beef up more, we should." Unquote. They couldn't find a safety problem.

Finally, the FAA never comparatively tested their notion that non-standardization is a safety problem. The only significant comparative tests conducted were accomplished by the U.S. Air Force at Williams Air Force Base. The results of those tests showed that PLASI and PAPI were equivalent in performance, and both were far superior to VASI.

The Air Force found no difficulty with using and interpreting signals from either system, and they have approved the use of either PLASI or PAPI on their air bases.

Since the Air Force trained the highest number of high-performance aircraft pilots, and since the airlines acquire a large proportion of their pilots from the military, it is obvious that the Air Force position complicates the administration position regarding this illusionary standardization.

One final observation: There is no doubt that the outcome of the public comments was predetermined. This was blatantly revealed in the decision published in the Federal Register which states: "To select a system other than the PAPI for use at non-international airports would not be consistent with the goal of standardization." Obviously, no consideration was given to any possible outcome other than the revocation of the PLASI approval.

Now, I understand that yesterday, when given the opportunity to comment, the FAA response was given by the very person who has objected to this policy over the years, and again no reasons were given which would justify this action. It was even suggested that human factors people would agree on an abstract basis that one system would be preferrable to a multi-system. Not true. The FAA didn't use their own experts, and those that did comment said that this policy was a ridiculous notion.

When I testifed before this committee last year, I requested that this issue be placed before the aviation community. We were then unaware of the nature of that FAA internal conflict and dispute on the issue of the existence of a safety problem, and the Air Force decision had not been made. It is obvious now that the Administrator's order is not justified on any ground.

We therefore respectfully ask that this committee permanently suspect the implementation of Order 6850.26A.

Thank you very much for your time. I appreciate it.

[The prepared statement and attachments of Mr. Gilbert DeVore follow:]

STATEMENT OF DE VORE AVIATION CORPORATION
BEFORE THE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION

APRIL 22, 1986

Last year at about this time, I was privileged to have the opportunity of testifying before this Committee regarding Administrative Order 6850.26A of the Federal Aviation Administration on the subject of federal funding for visual approach slope indicators. A visual approach slope indicator, PLASI (Pulse Light Approach Slope Indicator), conceived, developed and produced in the U.S. with private funds, and now marketed world wide, was approved for use in the National Airspace System in December of 1981 and approved for federal funding in August of 1982. In his Order of February 8, 1985, some two and one-half years later, the FAA Administrator rescinded the approval for federal funding only on the grounds of standardization. This Committee felt strongly enough about that decision to recommend and secure passage of an Amendment to the Supplemental Appropriations Bill prohibiting the Administrator from implementing his order until he had provided adequate opportunity for the aviation community to comment on the content of that order. The Administrator published a notice in the Federal Register in August of 1985 and allowed 30 days for comment. When many respondents complained that 30 days was insufficient time, they were advised there would be no extentions. At the last minute, however, apparently as the result of Congressional pressure, the Administrator changed his ruling and extended the response period for an additional 30 days. This, in effect, was equivalent to two 30 day periods the latter being essentially without notice. In his notice in the Federal Register, the Administrator suspended all federal funding for visual slope indicators under the Airport Improvement Program, which was contrary to the intent of this Committee and Congress, and the Administrator was notified accordingly. The suspension, however, remained in effect until February 5, 1986. This is the background of the Administrative Order and Congressional action. No safety issue was raised in that initial order.

The response from the aviation community was analyzed by the Administrator in a Notice in the Federal Register dated February 5, 1986, and in a letter to the Chairman of the Appropriations Committee dated January 29, 1986. The Administrator's analysis pointed out that those supporting his position were 6,518, as compared to only 970 opposed to his position. The Administrator failed to take cognizance of and point out in his analysis that this large number of supportive responses was composed almost entirely of ALPA members or affiliates who were directed to send in postcards. The ALPA position was the basis of the Administrator's Order in the first instance. It was considered, and rejected, by the previous Administrator when he approved PLASI for federal funding. An independent analysis of the results of the remainder of the aviation community's response to the Administrator's order indicated that they were opposed to his order in the ratio of 7 to 1. In order to reach his conclusion, the Administrator counted each individual ALPA member who voted. All other organizations that submitted letters stating their organization's position were counted as one. This amounts to stuffing the ballot box in a matter which should not be the subject of a vote. There should be, in order to even raise this issue; first, a safety problem, second a safety issue.

Is there a problem? Is there an issue? These are the facts:

In order for the Administrator to make his decision to continue Order 6850.26A, as stated in the Notice in the Federal Register of February 5, 1986, he had to ignore the decision of the previous Administrator; the opinion of his own safety organization (Aviation Standards); the oversight prerogative of the Congress; U.S. Air Force approval of both PLASI and PAPI; the entire membership of AOPA (265,000 pilots), NATA, NASAO, and other aviation organizations non-affiliated with the airlines; the comments of respected scientists and behaviorists who have evaluated the proposed order and his responsibility to respond and rationalize the comments of those who responded to the Notice of August 26. In fact, the Notice in the Federal Register of February 5, 1986, contains the same statements that were contained in the Notice of August 26, 1985. They were both written in the Office of Airport Standards by staff personnel who write equipment specifications but do not fly and are not qualified to discuss safety, pilot workload, or any other items of flight. Four basic issues were offered in Order 6850.26A and in support of the Order in the Notice in the Federal Register of August 26, 1985. These were proliferation, international agreements, costs, and safety. None of these were addressed in the Administrator's rationalization of the comments that were submitted. They were simply restated without analysis. An independent analysis, however, supports our allegation that the Administrator's Order is unfair, arbitrary, and capricious; lacking in scientific or behavioral analysis; shows no supporting evidence of proliferation; eliminates competition causing the industry to sustain higher costs; produces no data suggesting safety problems exist and shows no evidence that standardization promotes safety. In fact, in the absence of such information, the Administrator said that the burden is on the aviation community to show that standardization is unnecessary, whereas the burden should be on the Administrator to show that standardization is necessary for safety.

We believe the FAA report to be intolerably superficial, factually erroneous and logically deficient in its conclusions derived from public comments. For instance, in the Notice in the Federal Register of February 5, the Administrator stated the following: "Since there are currently at least six manufacturers who are in the process of marketing a PAPI, there would appear to be more than adequate competition". This was in response to comments stating that standardizing on one system would lead to a lack of competition. In the Advisory Circular No. 150/5345-1Q, dated January 23, 1986, only one manufacturer is shown to be approved to manufacture PAPI. As a matter of fact, including this approved manufacturer, of those major purveyors of airport lighting equipment, it is our information that they are all importing systems from Europe (Belgium, France, and England).

The Administrator constantly refers to standardization. This is an elusive concept. The PAPI system originally developed in the U.K. and approved by ICAO was a four box system which provided a five sector signal. The reason PAPI was approved in the first place was because it provided a five sector signal with sharp delineations of these sectors. Then, they approved a two box PAPI just as they did a two box VASI. In VASI, however, regardless of the number of boxes the signal format was always the same. With a two box PAPI, however, there are only three sectors. FAA is promoting the two box PAPI under the Airport Improvement Program. Which is standard, 3 sectors or 5 sectors? Will it not be confusing to a pilot who may expect a 5 sector signal and finds only 3, or vice versa? The Administrator says, and I quote, "it is my judgement that a pilot should see the same visual presentation at all airports." This is not consistent with the three and five sector signals in the PAPI system.

Further, the FAA wants to "standardize" on one system - PAPI. ICAO has "standardized" on three. The reality is that standardization cannot be achieved. There are more than 12,000 airports in the United States. Of this total, approximately 6,000 are public use airports and the balance are non-public use facilities. The Administrator has stated recently that there are approximately 3,000 VASI systems installed on the nations airports. There is no provision for removing these systems. Also, these systems were installed with both federal funding and private or local government support over a period of more than 20 years. Even after this long term effort, only 10% or less of all the runway directions in this country are covered with VASI systems.

The Administrator's recent decision to fund only one system, PAPI, in the future installations of visual approach aids will not improve this situation. Would it be rational to remove the 3,000 VASI's in the interest of safety? Where there is no safety problem? In consideration of the severe budget problems facing the federal government in general and the FAA budget in particular, it is unlikely that the FAA will be in a position to fund systems as in the years past. Thus, it appears unlikely that more than 5% of the runway directions will have PAPI systems after another 20 years of further funding. It is also unlikely that any of the VASIs, except those on the international airports, will be replaced.

It is also quite likely that the balance of the runways in this country (more than 25,000 directions) will be open for the installation of other visual approach aids, whether approved or not approved for federal funding by the FAA. These airports will install the most economical system available at the time and it may not be PAPI. It could very well be PLASI. It is evident that the Administrator's fantasy of standardization will be impossible to achieve in our lifetime.

In the pursuit of reality, and justice, we sought the disclosure of the basis of this action, as it related to safety, by requesting the agency record under the Freedom of Information Act. No safety problem was disclosed. No safety issue was disclosed. The FAA's Office of Airport Standards has continuously raised the issue, hypothetically, and the notion has been consistently rejected by former Administrators and the FAA's safety organization, Aviation Standards. Airport Standards authored the issue, without a problem, authored the notice, and authored the decision. This Administrator's comment on the Airport Standard's notice was "I think we have a less strong presentation for PAPI than we should. *** If you can beef up more - we should." They didn't. Aviation Standards did not concur because they couldn't find a safety problem. Further, although the agency record disclosed was "sanitized", i.e. portions were deleted from position papers authored by Airport Standards, enough was revealed to reflect that Airport Standards recognized that this action would not be fair or equitable, that it would be detrimental to the promotion of new ideas and to the market of the DeVore Aviation Corporation.

Finally, the FAA has never tested their notion that "non-standardization" or "proliferation" is a safety problem. They have not comparatively tested visual glideslope indicators. The U.S. goverment did, however, test visual glideslope indicators comparatively.

The only significant comparative tests conducted anywhere was done by the U.S. Air Force at Williams Air Force Base over a period of several years during which they had installed PAPI, VASI and PLASI systems. Aircraft were instrumented to interrogate the electronic glideslope which was co-located with the visual glide slope indicators. The pilot flew the visual glideslope while the instrumentation recorded his deviation from the electronic glideslope. The objective results of those tests based upon the statistical analysis of the deviations showed that PLASI and PAPI were equivalent and both were far superior to VASI. When the pilots were asked to preference rate the systems, six of the eight instructor pilots that were queried voted PLASI number one, with the other two voting PLASI number two. The Air Force found no difficulty with interpreting the signals from either system. The Air Force has selected both PLASI and PAPI as its standard for installation on its air bases. Since the Air Force trains the highest number of high performance aircraft pilots in the country and since the airlines acquire a large proportion of their pilots from the military, it is obvious that the Air Force's position will complicate the Administrator's position and prevent the achievement of illusory "standardization".

One final observation. For ten years now, we at DeVore Aviation Corporation have tried to satisfy every requirement imaginable, based on the needs of the aviation community, the needs of safety and the requirements of the FAA in order to make available an advanced technology, low cost - low maintenance visual approach aid system. Not only does it meet those goals, it is versatile and even portable. All during that time we have sensed and known of opposition from Airport Standards. We have sensed and known of support and recognition of need from the FAA safety element, Aviation Standards. It looks to us as though the outcome of the public comment was predetermined. Why? Because the issue was supposed to be whether there should be standardization, not a vote on PLASI versus PAPI. The context in which Airport Standards wrote the notice, and the decision, invited and decided the issue as a choice. The decision on the real issue was apparently never in doubt. This was blatently revealed by the statement in the decision published in the Federal Register, page 4556, which I quote. "To select a system other than the PAPI for use at non-international airports would not be consistent with the goal of standardization." If one accepts the Airport Standards definition of "standardization" then, obviously, no consideration was given to any possible outcome other than the revocation of the PLASI approval. This is not an act of responsible administrative discretion.

When I testified before this committee last year, I requested that this issue be placed before the aviation community. We were then unaware of the absence of any safety justification in the agency record, or the nature of FAA internal conflict and dispute on the issue of the existence of a safety problem. At that time, the Air Force decision had not been made. It is now obvious that the Administrator's Order is not justified on any grounds and we, therefore, respectfully ask that this committee suspend, permanently, the implementation of Order 6850.26A. Thank you.

Ref.: Independent Analysis,
Alaris Co. Report

US Department of Transportation
Federal Aviation Administration

The Administrator

AGC-1

I think we have a less strong presentation for PAPI than we should. Pls fix Page 5. If you can beef up more - we should!

I have signed in interest of time.

E
8/20

Devore

INFORMATION: Draft Order 6850.26A, Visual Approach Slope Indicators; AAS-1 Clearance Record dated 9/30/83

NOV 21 1983

/s/ Luffsey
Walter S. Luffsey
Associate Administrator for Aviation Standards, AVS-1

Cusimano:x68452

Director, Office of Airport Standards, AAS-1

We have reviewed draft Order 6850.26A, as revised, and must provide the same comments as expressed in our letter to ARP-1 dated January 6 (attached) regarding this subject.

We have not been involved in any discussions, nor have we reviewed any test data which would convince us that Part 139 airports require operational standardization of visual approach slope indicators. All test data collected thus far in our evaluations of the PLASI and the Airenco VASI systems indicate that a standardized visual glidepath signal is not necessary for safety of flight. However, if your office has collected data which substantiates a change to that position, we would be genuinely interested in reviewing that data.

Notwithstanding the above, this office has always advocated Government funding of the least costly operationally acceptable system in order that the greatest number of airports could benefit from a visual approach slope indicator. We still advocate that position and, therefore, would suggest that if PAPI is, in fact, less costly for the Government to procure, support, provision, and maintain under the F&E program, then Order 6850.26A should be revised on that basis alone rather than on safety of flight considerations.

Attachments

U.S. Department of Transportation
Federal Aviation Administration

Devore

Memorandum

Subject: INFORMATION: Clearance Record - Order 6850.26A Visual Glidepath Indicators; AAS-1 clearance record dated 1/7/85

Date: JAN 15 1985

From: Anthony J. Broderick
Acting Associate Administrator for Aviation Standards, AVS-1

Reply to Attn. of: Wink:426-8452

To: Director, Office of Airport Standards, AAS-1

We have reviewed the draft Order 6850.26A and nonconcur with the proposed change to limit Federal funding to only the precision approach path indicator system.

NO

Our position on this matter remains the same as we iterated in our November 21, 1983, response to the previous clearance record.

Please find attached a copy of our November response and your clearance record.

Attachments

Such is life. We won't agree, all of the time. Let's move ahead

ZSI 1/16/85

!

[illegible]

The ALARIS Company
11904 Seven Locks Road Potomac, Maryland 20854
Telephone (301) 762-8956

January 9,1986

Mr. Gilbert DeVore, President
DeVore Aviation Corporation
6104 B Kircher Boulevard, N.E.
Albuquerque, New Mexico 87109

Dear Mr. DeVore·

This is in response to your request that we review the FAA Federal Register Notice (August 26, 1985) to establish policy for the funding of Visual Glide Slope Indicators and the replies thereto. The purpose of the review was to consider the adequacy and completeness of the Notice and to determine some of the statistical characteristics of the replies as they may relate to a representation of, or consensus of opinion of the aviation community.

1. Background

While the Federal Register may be a valuable means of notifying the public of government actions affecting them, it has very definite limitations when used as a means to secure the collective viewpoints of an affected population (such as all pilots or all airport operators).

The Federal Register has a limited distribution, most often going to major associations, affected businesses, authorities, and local governments. The average pilot is unlikely to be aware of government actions affecting him unless he has the action brought to his attention through the media or through associations to which he may belong. Even though the media and representative organizations may alert him to certain government actions affecting him, it is unlikely that he will be given sufficient information on an issue to make an informed and unbiased value judgement.

The Federal Register notice response method does permit those members of an affected population who are made aware of an issue to state their views and is the principal method used by government to seek and evaluate the views of the public or a constituency. However, it is very unlikely that responses to a Federal Register notice could be considered a valid sampling of a population opinion (unless nearly all members of a population responded). The principal requirement for a valid statistical survey is that "every element of a population has an equal chance of being included in the survey". The Federal Register method of seeking public response does not meet this basic criterion, therefore it is very difficult (if not impossible) to make any statistically valid assertions about the collective views of an affected population based on the responses. The evaluation of Federal Register responses is made even more difficult when the responses to an issue are sharply divided along "party or organizational" lines.

With this background in mind we have attempted to evaluate the notice and the responses as follows.

2. The Notice:

A. The notice is biased in that it does not provide complete information, particularly with reference to the history, testing and approval of PLASI.

B. Standardization is presented as the primary reason for the decision to federally fund only PAPI. No scientific, human factors or engineering data is presented as evidence that standardization does in fact result in higher levels of safety.

C. Such test data as is presented would tend to refute rather than support the FAA position that use of more than one type of Visual Glide Slope Indicator results in confusion or unsafe conditions. First, in none of the test data presented is it ever stated that there is a statistically significant difference between the systems. On a scale of 100 the average scores in the Army (Ft. Meade) tests are clustered between 76 percent (OASIS) and 91 percent (CHAPI). The remaining systems scores (VASI, PAPI, and PLASI--the systems of interest in the notice) are clustered between 77 percent and 82 percent, a spread of only five percentage points. Such a cluster would usually indicate that there is no statistically significant difference between the pilots' ratings of the systems. The cluster would also seem to indicate that there was little, if any, confusion in interpreting and flying the different systems which is "contra" to the FAA position that standardization is necessary.

D. The U.S. Air Force data speaks for itself and most certainly does not support the FAA position.

E. On the second page of the notice the argument is made that there are several other systems on the market which are expected to be added to the approved list at substantially lower prices resulting in a proliferation of systems. We are unaware of the existence of such systems having these attributes.

F. Following the above discussion is the statement that "FAA professional opinion did not consider these issues to be in the best interest of aviation safety." We are aware of both current and former FAA employees with very extensive qualifications who do not hold that opinion.

G. The notice itemizes the bid prices for the various systems for which the FAA permitted funding. These are of little consequence. Justifications should be made on the basis of life-cycle costs and benefits.

3. Letter responses to the notice:

A detailed count of letter responses by various classifications such as organizational affiliation, company type, pilot qualifications, other qualifications, issue position, rationale for position, etc. is shown in Attachment A. Summary data is presented as follows.

A. There were a total of 102 letter responses, of which 58 were in opposition to the FAA single glide slope indicator standard and 43 supported the FAA position. One respondent (The Flight Safety Foundation) indicated that testing was required before a proper decision could be made.

B. There were 44 letter responses from companies. 29 of the companies opposed a single indicator and 15 of the companies supported the proposed standard. The companies were classed as follows;

Consulting firms	5
Manufacturers/Dealers in PAPI	4
Manufacturers/Dealers in PLASI	3
Lighting/Elec. Contractors	4
Manufacturers/Dealers other	5
Air Carriers/Commuters	4
Fixed Base Operators/Air Taxis	9
Construction/Maint. Contractors	2
Airport Managers/Operators	7
Publishing Firm	1

C. There were 15 letter responses from public and private airport sponsors/operators/managers, all of whom opposed a single indicator standard.

D. Of the 10 letter responses received from representative associations and organizations, five support a single indicator standard as shown below:

Organization	Approximate Membership
ALPA	34,000
APA	5,000
ATA	
AFA	21,000
AOCI	

Letter responses from four organizations indicate opposition to a single indicator standard as follows:

Organization	Approximate Membership
NATA	1,300
NASAO	
AAAE	
AOPA	265,000

One letter response from the Flight Safety Foundation indicates opposition to rule-making (policy) without sufficient testing and financial analysis.

E. The total letter response from pilots was 47 (many other respondents are believed to be experienced pilots, but if the letter did not state that they were pilots they are not included in the pilot response count).

1. Total letter responses from pilots supporting a single indicator standard=24
2. Total letter responses from pilots supporting a single indicator standard and specifying preference for VASI=2
3. Total letter responses from pilots supporting a single indicator standard and specifying preference for PAPI=11
4. Total letter responses from pilots supporting a single indicator standard but not specifying equipment preference=10

5. One letter response indicated support for single indicator standard, stated no equipment preference, but opposed PLASI
6. Total letter responses from pilots opposing a single indicator standard=23
7. Total letter responses from pilots opposing a single indicator standard and specifying support for PLASI=17
8. Total letter responses from pilots opposing a single indicator standard but not specifying support for a particular equipment=6

E. There were two letter responses received from persons who would be considered to be eminently qualified to make assessments of Visual Glideslope Indicator Systems. One of these respondents has been involved in the flight testing of all of the systems mentioned in the notice and represented the FAA Flight Standards Office in both the testing and on ICAO Visual Aids Panels. The other has over forty years experience in engineering, flight test and safety engineering, including six years as director of the Bureau of Aviation Safety, National Transportation Safety Board. Both posed strong objection to the FAA single indicator standard and both strongly support PLASI as being a superior system. Neither one is believed to have any proprietary interest in any of the systems.

F. There was one petition signed by 59 Air California pilots affiliated with ALPA supporting the FAA single indicator standard.

4. Postcard responses to the notice:

A review of several hundred postcard responses to the Federal Register notice received from persons affiliated with ALPA was made to determine if they contained any significant comments or opinions not already found in the letter responses. A similar review and count was made of all of the other postcard responses made available to us by the FAA. A detailed summary of the card counts and comments is shown in Attachment B. The essential information is summarized as follows.

A. The postcard responses to the Federal Register notice were heavily weighted by responses from ALPA members (approximately 5,821), nearly all supporting the FAA single indicator standard.

B. The remaining postcard responses (approximately 963) show a 7:1 response ratio opposing the FAA proposed single indicator standard.

C. To offset some of the limitations of the Federal Register solicitation for commments, the DeVore Aviation Corporation provided information concerning the FAA proposal to some 7,500 persons involved in airport operations and 7,000 instrument rated pilots. This was accomplished through a "mailing" which described the issue in considerable detail and urged the recipients to submit their comments or positions to the FAA. While this was not a completely scientific, random survey procedure it did incorporate many of the characteristics of random sampling methods. For example, the "mailing" to instrument rated pilots was based on a random selection of state pilot populations (Pennsylvania, Virginia, Ohio, Texas, Louisana, New Mexico, and Oklahoma). Furthermore, the responses from the "mailing" are considered to be more representative and unbiased in that there was no control exercised, there was no organizational allegiance involved and the canvasser (DeVore Corp.) had no way of knowing what response to expect.

The responses to the DeVore "mailing" are important for two reasons. First, the responses were overwhelmingly (785 to 1) opposed to the FAA position. Secondly, there was a larger response to the "mailing" than the two percent which is characteristic of the "open" (non-organizational) mail canvass. The response from persons involved in airport operation/management was almost five percent and the response from the instrument rated pilot "mailing" was over six percent (two to three times the expected response rate).

5. Conclusions:

A. The notice published in the Federal Register presents a biased and incomplete overview of the issue. Thus, the public would be expected to have considerable difficulty in providing a meaningful response.

B. The principal basis for the FAA position is that standardization is safer. There is no evidence presented that supports that contention. Such evidence as is presented would tend to refute the contention.

C. It is difficult if not impossible to make statistically valid assertions about the collective opinions of an affected (by rule-making action) population based on responses to a Federal Register Notice. This is because of a lack of statistical control being exercised.

D. The letter responses to the Federal Register notice oppose the FAA single indicator standard by a count of 58 opposed to 43 supporting.

E. The letter responses from representative organizations are evenly divided between opposing and supporting the FAA position. However, the membership represented by those organizations opposing the FAA single standard position is substantially higher than the membership represented by those organizations favoring the FAA position.

F. The letter responses from business entities oppose the FAA single indicator standard by a count of 29 opposed to 15 supporting.

G. Of 15 letter responses from airport sponsors, operators or managers, all opposed the FAA single indicator standard.

H. Of nine letter responses received from fixed base or air taxi operators, all opposed the FAA single indicator standard.

I. For letter responses wherein pilot qualification was noted, the responses were about evenly divided between those favoring the FAA position and those opposing. Excluding responses from pilots indicating an ALPA affiliation, the remaining responses would indicate an almost 2:1 ratio of pilots opposing the FAA position.

J. The postcard responses to the Federal Register notice were heavily weighted by responses from ALPA members (approximately 5,821), nearly all supporting the FAA single indicator standard.

K. The remaining postcard responsos (approximately 963) show a 7:1 response ratio opposing the FAA proposed single indicator standard.

L. The responses to the DeVore Corporation canvass are considered to be a better representation of user opinion than other canvasses because of the more random selection of candidate respondents and the higher than expected response rate.

M. The responses (letter and postcard) would seem to indicate that positions favoring or opposing the FAA proposed policy are drawn along essentially air carrier vs "other" lines. ALPA, APA, ATA, AFA and AOCI and affiliates, generally representing larger air carriers and larger airport operators, support the FAA single indicator standard. While ALPA made a valiant effort to sway the results by sheer numbers of card responses, it is evident that other entities, which would seem to be the substantially greater majority of those impacted by the proposed policy, appear to oppose the FAA position by ratios of about 2:1 or more.

Very truly yours,
The ALARIS Company

Walter E. Faison
President

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11904 Seven Locks Road   Potomac, Maryland 20854
Telephone (301) 762-8966

resume
WALTER E. FAISON

currently
Analyst/President of The ALARIS Company, aviation consultants

major fields
Aviation economics, cost/benefit analysis, air traffic control systems analysis, airspace use, regulatory impacts analysis, airport requirements, safety/risk analysis, airport and airway systems capacity/delay analysis, traffic analysis, data gathering, statistical analysis, test analysis, data base development, systems requirement analysis

recent experience
Projects of The ALARIS Company, see attached ADDENDUM

government experience
Directed programs and analyses as follows:
Proposed Airport and Airway Development Aid Legislation; Alternative Slot Allocation Methods; Airspace System Collision Risk Analysis; Capacity of Tokyo International Airport; Facility Establishment Criteria; Regulatory Impacts; Two vs. Three Man Crew Safety; Aircraft Loan Guarantee Program; various air carrier, commuter and general aviation systems analyses

biographical summary

Jan '81 to present -	Analyst/President of The ALARIS Company
Nov '80 to Jan '81 -	Chief of Systems Analysis Division, Office of Aviation Policy and Plans, FAA, Washington DC, (retired Jan '81)
Feb '80 to Nov '80 -	Chief of Policy Analysis Division, FAA, Washington DC
Oct '79 to Feb '80 -	Acting Director, Office of Aviation Policy FAA, Washington DC
May '79 to Oct '79 -	Acting Chief of Policy Analysis Division, Office of Aviation Policy, FAA, Washington DC
Dec '74 to May '79 -	Policy Analyst Team Leader, Policy Analysis Division, Office of Aviation Policy, FAA, Washington DC
Nov '69 to Dec '74 -	Senior Policy Analyst, Aviation Policy Division, Office of Aviation Policy, FAA, Washington DC

Nov '65 to Nov '69 - ATC Specialist (R & D), ATC Development Division, Systems Research and Development Service, FAA, Washington DC
Apr '59 to Nov '65 - Chief of Test Analysis Section, Experimentation Division, NAFEC, FAA, Atlantic City, NJ
Aug '58 to Apr '59 - Airways Operations Specialist, Facilities Operations Branch, Technical Development Center, FAA, Indianapolis, IND
Jan '49 to Aug '58 - Supervisory Airways Operations Specialist, Washington Air Route Traffic Control Center, FAA, Washington DC
Jul '47 to Jan '49 - Operations Agent, Eastern Airlines, Washington DC
Feb '44 to May '46 - US Army Air Corps

education, memberships, licenses

'46 to '47 - George Washington University, Washington DC
'57 to '58 - University of Virginia Ext., Arlington, VA
'58 to '59 - Ohio State University Ext., Indianapolis, IND
'61 to '63 - USDA Graduate School, Atlantic City, NJ
'69 - American University, Washington DC
'81 to '82 - Montgomery College, Rockville, MD

National Research Council, Transportation Research Board, Committee on Airfield and Airspace Capacity and Delay

Washington Operations Research Management Science Council
Air Traffic Control Association
Aircraft Owners and Pilots Association
Private Pilot

recognition and awards

'80 -Secretary's Award for Meritorious Achievement
'70, '78, '80 -Special Achievement Awards
'77, '79 -Outstanding Performance Awards
'67, '70, '72 -Quality Performance Awards
'69 -Sustained Superior Performance Award

Letters of Commendation
'74 -from the Associate Administrator for Engineering and Development, FAA
'70, '74 -from the Associate Administrator for Plans, FAA, (2)
'73 -from the Administrator, FAA (2)
'69 -from the Assistant Secretary for Research and Technology, DOT

Mr. **Lehman**. You made some very firm statements. I just wonder what evidence do you have that the FAA Administrator ignored the safety position of his own safety organization, Aviation Standards, when he made this decision?

Mr. **DeVore**. Under the Freedom of Information Act, we acquired documentation, and on that documentation there are notes made, and there was disagreement within the organization. Aviation Standards did not concur that there was a safety problem. We have that information, and it is documented.

Mr. **Lehman**. Why, do you think, did the FAA Administrator decide the way he did? Was it malfeasance of duty? Is he really doing something that he shouldn't be doing, according to the rules of his office?

Mr. **DeVore**. Well, I suspect that he is entitled to do what he wants to do. But it is not being very responsive to the aviation community.

Mr. **Lehman**. What is the rationale?

Mr. **DeVore**. There is none. As far as we can tell, there is no rationale to this order whatsoever.

Mr. **Lehman**. People don't make orders randomly. He had some rationale for it.

Mr. **DeVore**. Well, putting it the other way, the system was approved—the system was approved for federal funding. It has been out in the marketplace. It is not a concept. Why, 2-1/2 years later, should this administrator decide we needed savings. He has produced no evidence whatsoever that there is any—that standardization produces safety. We don't have tests, don't have any documentation. We requested that information from the record, and they have produced none.

If you read the two notices in the Federal Register and read the order, the words are exactly identical. They had yet to rationalize their position.

Mr. **Lehman**. In other words, standardization and safety are not synonymous?

Mr. **DeVore**. Correct. Absolutely correct.

We do have a couple of documents here, which I would be happy to enter into the record, which indicate that there is disagreement within the FAA; that these came from the FAA, under the FOAIA.

Mr. **Lehman**. You may submit them for the record, and we will look at them. If we think it contributes to the understanding of this problem, we will include them in the record.

Mr. **DeVore**. Thank you.

Mr. **Lehman**. Mr. Coughlin.

Mr. **Coughlin**. Thank you, Mr. Chairman.

I appreciate your testimony. As you know, this subcommittee did act last year to try and give you further opportunity to explore this. We appreciate having the information you gave us now.

Mr. **DeVore**. Thank you very much.

Mr. **Lehman**. Mr. Wolf?

Mr. **Wolf**. No questions.

Mr. **Lehman**. Thank you very much for being with us, Mr. DeVore. We hope we don't have to see you next year.

Mr. **DeVore**. Thank you.

Mr. **Lehman.** Come back for a visit, anyway.

Tuesday, April 22, 1986.

FEDERAL HIGHWAY ADMINISTRATION

WITNESS

LESTER P. LAMM, PRESIDENT, HIGHWAY USERS FEDERATION FOR SAFETY AND MOBILITY

Mr. **Lehman.** Mr. Lamm.

Mr. **Lamm.** I really appreciate the opportunity to be here representing the Highway User's Federation for Safety and Mobility, Mr. Chairman. I know at this time in your hearings most of your witnesses have talked about individuals' transportation projects that are running into financing problems but I would like to return the focus, to have the Committee to look at the overall national highway program.

It has been 11 years since the concept of obligation ceilings first came into effect with the Budget and Impoundments Control Act of '74, and in the early years obligation ceilings didn't really provide much of a problem because the ceilings were set higher than the states were ready to go with anyhow. As we all know, in the last few years, the obligation ceilings had begun to creep down in the highway program, and I think 1986 the current fiscal year, is perhaps the best example of the problems that do ensue.

I do have a formal statement. I know your committee policy would be to include that in the record, so I am not going to read through that, Mr. Chairman, but I would ask you to turn to the table attached to the statement, if you would, and I will look at some of those numbers with the Committee.

Looking at the national level, the highway program for '86 originally began when STAA was passed in January of 1983, with a figure of roughly $14.6 million for this year. And what happened since that time was that budgetary pressure began to get stronger and the need to curtail the federal budget in general led to most federal programs being curtailed to some degree, and as we see in the second column of this table, the interim distribution that was made by the Federal Highway Administration at the beginning of the fiscal year was at a $13.25 billion level.

Then in December, when the Committee's activities culminated in the passage of Department of Transportation Appropriations Act, the obligation ceiling level went down to $12.75 billion. Again, recalling what happened at that time, this committee wanted a $13.25 billion ceiling. The Senate came in at $12.75 billion. Only then did Gramm-Rudman come into effect, after the passage of that legislation. Prior to that, we really had a highway program loss of $2 billion without even seeing any impact from Gramm-Rudman.

The resultant recalculation that was published in February of '86 by the Federal Highway Administration, further reduced the obligation ceiling by another $600 million.

Then just within the last two weeks, the Reconciliation Act caused another adjustment. This one happened to be an adjustment in the positive direction, bringing the highway program back up to $13.23 billion. But here we are more than halfway through the fiscal year and total amount of funds made available to the states is still not set.

If you look across the line at Florida, for example, the same figures exist there, where roughly $80 million less is made available today than the state might have thought they would have gotten at the time the STAA passed.

Again, looking at Pennsylvania, a $90 million reduction between the STAA figure and the latest obligation ceiling.

In the case of Virginia it is roughly a $50 million reduction from 1983 to today.

This, to me, is an indication of the uncertainties that come up, plus the considerable problems involved in squeezing all programs with the financial split. I would urge the Committee, as my testimony brings out, to look closely at the Congressional Budget Office report, which indicates that the highway program might be able even at today's tax level, to support a considerably higher program than the administration request of $12.77 billion.

Twelve point seven billion dollars, Mr. Chairman, is a return to the 1983 program level, even though we all know there is a lot more traffic on the highway system today than there was in '83. And also the buying power of '86 money is perhaps about 20 percent less than it was in '83.

One other item that is covered in my statement, that I would mention, Mr. Chairman, is a proposal that is in the administration budget to "privatize" the Turner Fairbanks Highway Research Station in McLean, Virginia.

That is a highway research program. Its federal responsibility dates back far longer than the Federal Aid to Highways in 1983. The predecessor agency of Federal Highway Administration was first created and its one job at that time was to lead the nation in highway research so that technology advances could be disseminated to the state and local highway engineers. That still is a very significant part of the Federal Highway Administration's responsibilities and the customers of highway research almost without fail are public employees. They are public works directors and highway department heads, and transportation department heads all around the country, and the concept of moving this research program—which has been balanced, and publicly oriented but most of it conducted by private research foundations—to move that to the full private sector at this time I think would disrupt something that has been working well for more than 80 years. I would have to ask myself why now that the long time balance between public and private interests in the highway research program would have to change.

Mr. Chairman, there are other things we could talk about but I know your time is very limited in the Committee today, so I have tried to talk at a rate of $10 billion a minute, and I will leave off there and ask if you have any questions.

[The prepared statement of Mr. Lester P. Lamm follows:]

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Statement of

Lester P. Lamm

President

Highway Users Federation

before the

Subcommittee on Transportation

Committee on Appropriations

U. S. House of Representatives

April 22, 1986

1776 Massachusetts Avenue, N.W. • Washington, D.C. 20036 • (202) 857-1200

Good afternoon, Mr. Chairman and members of the Subcommittee. We sincerely appreciate the invitation to present the Highway Users Federation's reaction to the Administration's 1987 Budget for the Department of Transportation.

Since this is my 15th appearance before this Subcommittee, we need no mutual introductions. Perhaps though, you would like to know a little more about the Highway Users Federation, which I have represented since March 3 of this year.

The Highway Users Federation (HUF) is a national coalition of businesses, industries, and associations working to make America's highway transportation system safer and more efficient. The Federation is the largest, most diversified organization of its kind in the nation. Our membership, composed of over 400 companies and industry associations, 63 state and local conferences, and 2,000 individual business men and women, represent the chief users of highways and the main providers of highway transportation products and services.

Even more significant to your Committee's interests, however, the Federation is made up of every segment of America's private sector that pays revenue into the Highway Trust Fund, including auto, truck and trailer manufacturers, rubber manufacturers, major national trucking associations, motor clubs with motorist membership exceeding 26.3 million, and the petroleum companies who collect and deliver our 9 cents per gallon to the Internal Revenue Service.

Thus, even though our corporate members are supportive of most Congressional and Administration efforts to reduce the size of the Federal budget deficit, they are impatient with actions which defer or delay highway improvement benefits for which highway users have already paid.

To some a $9.6 billion balance in the Highway Trust Fund is a target of opportunity, a means of making difficult budget decisions a trifle easier. The highway user community, however, feels that our elected leaders have permitted road and bridge deficiencies to accumulate while the Trust Fund balance increases. As a result, instead of the Trust Fund being on a "pay as you go" basis, we are paying nearly 10 months before we "go." This situation was certainly never intended by the drafters of the Highway Trust Fund concept.

Mr. Chairman, during last year's hearings on the 1986 budget, you and I discussed the proper level for the obligation ceiling for Federal-aid highways. Let me refresh the Committee's recollection of the chronology of events leading to FY 1986.

- The 1982 Surface Transportation Assistance Act established a 1986 obligation ceiling of $14.5 billion....an orderly progression from 1983's level of $12.5 billion, 1984's $13.1 billion, and 1985's $13.5 billion.

  Then various budgetary and deficit-related concerns began to surface:

- The President's budget for FY 1986, submitted in January 1985, proposed a reduction in the ceiling to $13.25 billion.
- Later in 1985 the House passed a highway reauthorization bill which set the 1986 ceiling at $13.6 billion. The Senate had no comparable bill in 1985, and the press of other Congressional business prevented agreement on highway legislation in 1985.
- On October 1, 1985, the start of FY 1986, FHWA made an interim distribution of $13.25 billion.
- The DOT Appropriations Act for 1986, an element of the Continuing Appropriations Act (PL 99-190), provided a revised ceiling of $12.75 billion This reflected a compromise position, as the House had proposed $13.25 billion and the Senate $12.75 billion. FHWA made the revised distribution to states on December 27, 1985.
- Then came the Gramm-Rudman-Hollings Deficit Reduction Act (PL 99-177), which further reduced the obligation limitation by 4.3 percent, to a new total of $12.2 billion, effective February 5, 1986.
- Finally, the Reconciliation Act adjustment was made, raising the program level to $13.125 billion. FHWA made these allocations to states on April 9, 1986.

As a result, the states have had four separate instructions, with four different funding levels, during the fiscal year, and only now, more than halfway through, have we reached a "final" figure. (As you know, this figure too will be adjusted in August 1986.) Even then, the latest figure is about at the level of the 1984 program. While this is somewhat better than the February figures, lower even than 1983, it will still leave about $6.7 billion of authorized funds unusable at year's end.

The comparable figures for the State of Florida show a similar pattern. The state has seen figures of $500 million in '83, $495 and $494 in '85 and $454 and $489 in '86. They will probably have an unused balance of about $235 million available at the end of 1986. The table attached to my testimony presents the comparable figures for all states.

Mr. Chairman, we both know that backlog road and bridge deficiencies exist now for the unused funds. The dollars will eventually be converted into transportation improvements, but next year, or even later, when prices will be higher and benefits to highway users will have been delayed even further.

Thus, our principal message to you today is to look very closely at the proposed obligation ceiling for 1987 of $12.77 billion. This would return us close to the 1983 program level. We simply must have a program level more in keeping with the income still being generated by Trust Fund, and more in line with today's and tomorrow's highway needs.

Specifically, we suggest that you review the recent report of the Congressional Budget Office, in which it is indicated that at today's tax levels, the Trust Fund could support a $14.1 billion annual highway program from 1987 to 1991.

The CBO report shows the Byrd Amendment being applied in 1988. This occurs, though, mainly because CBO assumes that authorizations will increase at the rate of inflation during this period. It is more logical to assume, (and we would recommend this to the Public Works and Transportation Committee) that authorizations for a four-year bill would be straight-lined. Assuming consistent authorizations at about the 1986 level, (around $15 billion), we estimate that the Byrd Amendment would nct be triggered before FY 1991. A four-year $15 billion/year bill, 1987-1990, would still leave a Trust Fund balance in excess of $3 billion, which CBO has previously indicated to be a good figure for proper stewardship of the Trust Fund account.

Thus, our recommendation would be an obligation ceiling of $15 billion, inclusive of all Highway Account obligations, for FY 1987. In any event, and at whatever level you finally reach, we urge swift action, in hopes that the States will not have a repeat next year of the unprecedented uncertainties and changing signals of Fiscal Year 1986.

You may hear from colleagues that an increase of $1.9 billion in ceiling from 1986 to 1987 will not meet Gramm-Rudman-Hollings targets. Our response is that the Highway Trust Fund should not be subject to G-R-H at all. We are all well aware that the Trust Fund, with the Byrd Amendment in existence for more than 25 years, has always been solvent, and has not contributed to the Federal deficit. It is our hope that in this session the Congress will vote to exempt the Trust Fund from Gramm-Rudman-Hollings, and to remove it from the Unified Federal Budget, as well, as was done last year for the Social Security Trust Fund. I recognize that your Committee does not lead in this area, but I would urge your support of the highway community in any subsequent floor vote.

Turning to other portions of the 1987 budget for DOT, the Highway Users Federation is fully supportive of Secretary Dole's several safety initiatives. This includes our complete support for continuing the 402 and 403 safety programs in FHWA and NHTSA, though we would have preferred a higher level of $9 million for the FHWA portion of the 403 program, as in previous years.

Our membership is solidly in favor of the Motor Carrier Safety Assistance Program at the proposed $50 million level. The States are ready, after nearly four years of preliminary program development, for a fully financed action program.

We will be suggesting to the authorizing committee, however, that the program be continued as a separate account, one which has contract authority. In most states the MCSAP program is not managed by the agency which administers the Federal-aid programs, and should therefore be maintained as a separate program.

We would also support the addition of 150 more highway safety specialists to the staff of the Bureau of Motor Carrier Safety, although only if they are net additions to the staff of the Federal Highway Administration. In my own experience, Mr. Chairman, the agency is barely adequately staffed to handle today's oversight responsibilities. It is not too widely appreciated that FHWA's staff level in 1986 is lower than it was in 1956, or even in 1939!

We note also the proposal to review the Turner-Fairbank Highway Research Center with an eye toward its "privatization." Over and above my own personal reluctance to see this happen, I know of several other private sector representatives within the highway industry who will oppose this action. In view of the long-term and vital research being conducted at the Center, or by Center employees through private contractors, and the fact that the customers or users of highway research are mostly public sector state and local agencies, it is hard to see how lowest-bid private sector management, changing from one year to the next, can produce better results. I hope the Committee will restore the 158 research staff positions to FHWA before a "brain-drain" ensues.

Mr. Chairman, this completes my prepared statement. Let me say, again, how appreciative we are for this opportunity to appear before you. I have long felt that the private sector, and particularly the highway private sector, has neglected the very significant decisions which take place during the annual appropriation process. I hope to be a part of the effort to change that situation.

I assure you that the Federation staff, and I personally, would like to be useful to you and your staff during your vital deliberations. Please let us know if we can be of assistance.

Table #1
BUFSAM
April 1986

Evolution of FY 1986
Federal-Aid Highway Program Levels

($ in Thousands)

State	1986 Authorizations, Per STAA of '82	10/85 Interim Distribution	12/85 DOT Appropriations Act	2/86 G-R-H Revision	4/86 Reconciliation Adjustment	Estimated Unobligated* Balance of Authorized Funds, End of FY 86
Alabama	260,787	223,953	257,135	205,463	220,843	106,700
Alaska	171,919	147,482	142,625	135,304	146,748	53,400
Arizona	187,639	161,322	155,003	148,002	159,537	102,600
Arkansas	141,633	114,279	110,164	104,843	112,323	62,200
California	1,141,482	881,776	869,211	808,966	871,439	700,100
Colorado	219,035	188,272	181,320	172,726	185,796	94,100
Connecticut	302,033	259,415	249,489	237,995	255,810	102,000
Delaware	59,077	50,835	48,953	46,637	50,240	52,300
Florida	574,546	484,610	493,834	453,769	489,296	235,300
Georgia	370,587	318,278	306,439	291,907	313,818	197,800
Hawaii	131,750	113,075	108,754	103,738	111,991	130,800
Idaho	98,473	84,570	83,416	77,586	83,625	41,500
Illinois	478,215	390,985	400,985	358,701	385,644	106,700
Indiana	291,044	194,903	188,256	178,809	192,010	101,700
Iowa	203,969	174,975	169,817	160,527	172,013	81,800
Kansas	176,376	151,381	145,875	138,881	148,423	108,000
Kentucky	236,559	203,002	195,500	186,240	200,348	91,800
Louisiana	363,572	312,116	305,362	286,344	308,031	257,300
Maine	67,402	57,962	56,679	53,176	57,277	32,400
Maryland	315,865	271,329	270,446	249,108	268,146	187,200
Massachusetts	328,428	282,711	272,056	259,367	278,834	274,400
Michigan	355,903	306,575	295,422	281,260	303,001	107,200
Minnesota	271,411	233,135	237,925	213,884	230,179	136,000
Mississippi	146,569	125,650	122,906	115,275	123,478	86,700
Missouri	284,815	244,763	237,157	224,553	239,645	105,300
Montana	125,570	107,737	103,850	98,841	106,305	64,400
Nebraska	126,403	108,480	104,680	99,522	106,569	42,600
Nevada	84,022	72,202	69,610	66,240	71,396	37,200
New Hampshire	66,849	57,493	59,632	52,748	56,591	33,700
New Jersey	404,418	348,352	335,199	319,508	342,496	220,700
New Mexico	121,946	104,694	100,914	96,049	103,356	42,300
New York	876,613	755,212	776,200	692,853	743,436	182,800
North Carolina	327,429	227,625	219,384	208,830	224,363	124,700
North Dakota	88,902	76,387	73,620	70,080	75,396	23,100
Ohio	500,735	357,159	344,101	327,667	351,836	255,700
Oklahoma	218,321	151,201	145,723	138,716	148,353	99,200
Oregon	161,521	138,769	133,333	127,310	136,921	98,300
Pennsylvania	586,889	505,026	485,243	463,325	497,197	382,400
Rhode Island	124,220	106,644	102,375	97,838	105,540	53,400
South Carolina	178,510	145,588	150,289	133,376	143,736	138,000
South Dakota	96,361	82,779	79,778	75,944	81,661	45,900
Tennessee	280,058	240,536	231,650	220,675	235,740	108,400
Texas	966,956	661,271	637,002	606,669	652,308	366,800
Utah	156,375	134,311	129,299	123,221	132,809	66,800
Vermont	64,102	55,143	58,744	50,590	54,357	53,100
Virginia	358,460	308,010	306,397	282,577	304,354	133,900
Washington	344,673	296,010	284,858	271,568	292,050	162,100
West Virginia	120,893	103,790	100,391	95,220	101,695	99,700
Wisconsin	226,077	184,320	159,612	150,752	161,695	84,100
Wyoming	96,536	82,917	79,887	76,070	81,855	34,400
Dist. of Col.	77,668	66,755	64,174	61,243	65,901	86,900
Puerto Rico	68,778	59,470	57,364	54,560	59,026	68,600
	14,028,374	11,505,449	11,298,239	10,355,423	11,345,456	6,663,300
Administration, Territories, Reserve	______	1,744,551	1,451,761	1,846,327	1,779,544	______
TOTAL		13,250,000	12,750,000	12,201,750	13,125,000	6,663,300

*Assumes states obligate 100% of obligation limit.

Mr. LEHMAN. Thank you. You talk about the obligation rates of the states. Do you think all these uncertainties under Gramm-Rudman affect the obligation rates and how they can spend their money?

Mr. LAMM. They have had considerable effect already in '86, Mr. Chairman. As I look at the program progress records distributed by the Federal Highway Administration at the end of each month I see that right now, the last record which has been transmitted to the committee, which you have copies of, are the program progress charts for the end of March, which represents the six months estimate for the first half of the fiscal year, and lo and behold we find roughly two-thirds of the total obligations authority has already been used by the states as of this time. We have had, the highway program has had the highest January ever and the highest February ever in obligations because everybody was trying to burn off the money that they had before Gramm-Rudman took effect. So if you talk to the individual states, you find that perhaps they took priority projects but advanced them in January.

Mr. LEHMAN. Expedited them?

Mr. LAMM. Yes sir. The ironic thing is it will have a negative impact on the need for liquidating cash in '86. We will have more outlays with the early obligation than we would have if obligated later in the year.

Mr. LEHMAN. Do you think the Byrd amendment ought to be amended so spending and revenues are reconciled in the same year instead of the extra two year float that now exists? Should mass transit have the same float?

Mr. LAMM. At this point, Mr. Chairman, we wouldn't recommend modifying the Byrd amendment. I would ask the Committee to perhaps work with the Congressional Budget Office as it brought out any testimony to a closer look at when the Byrd amendment might actually apply under certain assumptions of the highway program level through '87 through 90. In our evaluation, we don't see that the Byrd amendment actually comes into play until 1991 at the highway program between $14.5 and $15 billion.

Mr. LEHMAN. Do you agree with the administration that highway spending ought to be the same level as the yearly revenue and eliminate the interest factor?

Mr. LAMM. To agree with that, Mr. Chairman, would be to ignore $10.2 billion that currently exists as a balance in the highway trust fund. From the standpoint of the highway user community, those are revenues already collected by people who are driving the highway collecting in anticipation of their being converted into highway and bridge improvements, but they are being delayed longer than the original authorizing legislation of the trust fund would require, so I would say perhaps the largest single element of uncertainty in the highway program ought to be resolved. The highway program ought to be able to have the trust fund revenues reduced during the next five year period.

Mr. LEHMAN. Mr. Coughlin.

Mr. COUGHLIN. Thank you, Mr. Chairman.

Good to see you here.

I have no questions.

Mr. **Wolf**. Thank you. Les, I want to welcome you here. I wish you had been here two weeks ago. I liked you better in your other capacity. I hate to see great public servants leave.

Mr. **Lamm**. Thank you, Mr. Wolf.

Mr. **Wolf**. Would you favor somehow the Committee acting to keep Turner Fairbanks as part of the Federal Highway Administration and not contracted out to the private sector?

Mr. **Lamm**. Yes, sir. Two things concern me. One is the nature of the balance between private and public sector in the highway research program right now, the research is directed at a lot of different areas, but using one instance, an example, there is a lot of research being conducted to improve both the quality of the asphalt pavement and concrete pavement material. And there is a balance right now in the marketplace. In some cases, a given highway would qualify best for Portland cement concrete pavement. In other cases a bituminous concrete base would be best, and that is a longstanding balance that leaves us a little bit uncomfortable. I think it is helped by the fact that the Federal Highway Administration is impartially trying to use research to improve the results of both potential highway materials.

As a hypothetical example, if everything were privatized in highway research, one might visualize either the black top or the cement increasingly achieving a degree of dominance over the overall highway research program. Then you ask yourselves how much money or attention is really going to be given to the alternate material. It is hypothetical but it is one illustration of what bothers me.

The other illustration is that again we are in the period of uncertainty as we have been in the highway program. People who are sustaining basic research don't know whether or not they are going to have a public sector job this time next year. There is already one key operation that has been moved to the private sector and I am afraid that as long as there is uncertainty and the issue is put to risk, we will find the better people, the ones that have the alternative job offers, leaving.

Mr. **Wolf**. If the Committee were to act this year, would that discourage the Federal Highway Administration from coming back the following year?

Mr. **Lamm**. Mr. Wolf, it is probably not a real priority of the Federal Highway Administration to have the research station privatized. It is rather a very small element of a total attempt to move as many items off federal budget as you can and from that standpoint, I don't believe you would find anyone in the Federal Highway Administration who honestly believes that the Committee action would be in anybody's worst interest.

I am afraid that the study might be conducted in somewhat of a—I might use the term biased way from the point of view of those who review the study, particularly the Office of Management and Budget level.

Mr. **Wolf**. Was this an Office of Management and Budget proposed study?

Mr. **Lamm**. I would have to go back and look at the Administrator Barnhart's testimony on that, Mr. Wolf. I have my personal recollections, but they are tied to my service as a federal employee and I couldn't volunteer anything on that.

Mr. **Wolf**. Sure. Well, I think I am going to offer an amendment at the appropriate time to prohibit this, at least for a year, and hopefully that would send a message that it ought not to be done.

I would like, if you could elaborate in letter form to me any other reasons you can think of as to why Turner Fairbanks should not be privatized. If you can give me anything like that, I could use, I will appreciate it.

Mr. **Lamm**. I would be glad to do so.

Mr. **Wolf**. We have got a favorable response back from the Federal Highway Administration on the TR bridge. They came out with a recommendation indicating that if we added an additional lane on the TR bridge inbound, we could increase the average speed from 16 miles an hour currently up to 33 miles an hour and eliminate a lot of weaving. And also they favor improvements to the 14th Street Bridge interchange with the George Washington Memorial Parkway.

Mr. **Lamm**. I have a residual degree of pleasure in that. I should tell you my commuting pattern changed when the job changed. Now I cross the river on the Chain Bridge. I still agree with what you are saying. I am not sure the response came out that way. Those arteries are very badly needed.

Mr. **Lehman**. Just to touch back again on the transit account in the trust fund. The highway portion is treated differently with the two year float. In regards to the Byrd amendment, what do you think of having the transit account operate on the same basis?

Mr. **Lamm**. My reaction would be that probably all three of the major Department of Transportation transportation related trust funds ought to be operated the same way and the only reason they are not is that they perhaps get taken up in a series rather than at the same time by the Ways and Means Committee and the Senate Finance Committee.

To my way of thinking they all ought to operate the same way. In fact, to take it a step further, if one should be exempt from Gramm-Rudman-Hollings out of unified budget, all three should I believe.

TUESDAY, APRIL 22, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESS

ROSE CRENCA, CHAIRMAN, METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS, TRANSPORTATION PLANNING BOARD

Mr. **Lehman**. Rose Crenca.

Ms. **Crenca**. Mr. Chairman, distinguished Members of the Subcommittee, and hard working staff members, too, my name is Rose Crenca. I am here today on behalf of the National Association of Regional Councils. The acronym unfortunately is NARC. I am a member of the Montgomery County, Maryland Council and the chairman of the Transportation Planning Board of the Metropolitan Council of Governments, COG. I have with me, Mr. James

Edgar, of the staff of the National Association of Regional Councils. I took him along in case you had any hard questions. I will take the easy ones.

It is a pleasure to appear today to provide testimony on the proposed appropriations for the fiscal year 1987 Urban Mass Transportation Administration programs.

National Association of Regional Councils was initiated in 1967 to assist local government officials in organizing a rapidly growing number of regional councils. Regional councils, for the most part, are multicounty agencies of general purpose local governments which encompass a total regional community. Over 650 regional councils have been established to deal with areawide problems. Many are designated as metropolitan planning organizations in urbanized areas. As MPOs, they are public agencies required under federal statute to annually plan program highway and transit funds for their region before federal surface transportation funds are allocated to the designated recipients.

National Association of Regional Councils is cognizant of the danger of large federal deficits and recognizes that federal spending must be brought under control. However, we believe that funding levels, of state and local assistance programs, such as mass transit, should be determined on the basis of that value in attaining national goals. It is clear that current proposals to eliminate or severely cut programs are budget driven; program merits and effectiveness are only secondary issues, or worse, they are not considered at all. In our view, this approach to public policy development is shortsighted.

National Association of Regional Councils strongly urges Congress to agree on a program by program freeze in federal domestic spending at the budget levels established for FY 86. In addition, our policy urges tax reform which removes, revises or freezes the growth of tax expenditures thereby providing revenues to complement the budget freeze. The contributions to solving our deficit problems should be shared equitably, and a freeze seems to be a fair approach.

Our association is particularly concerned about the administration's proposal to severely cut mass transit programs and the effect that would have on both urban and rural mobility. When the Surface Transportation Assistance Act was enacted in 1982, the penny of the five cent gasoline tax, which we strongly supported, was meant to supplement, not substitute, general revenues appropriated for mass transit purposes. To eliminate such general fund appropriations will cut urban transit assistance by more than 50 percent. Such a drastic reduction would renege on our national government's commitment made in this important legislation.

Further, the elimination of operating assistance to transit authorities in areas over 200,000 would be detrimental. Enactment of these restrictions would result in significant fare increases and service reductions which will have the heaviest impact on our transit dependent citizens—the elderly and the poor.

With apparent constraint on federal funding for transit, it becomes even more imperative to ensure that funds are spent in a most cost effective manner. The Urban Mass Transit Administration section 8 planning and technical studies program, funded at

$50 million in FY '85 and '86, does just that. The bulk of seciton 8 is provided to metropolitan planning organizations for a wide variety of purposes, including: alternative analysis; identifying cost savings approaches to reduce operating and maintenance costs; financial planning based on realistic funding expections; and involving the private sector in providing more cost effective transit services.

The MPO planning process is invaluable to local decision makers. It explores the realistic options within a region for providing effective mass transit services at the lowest feasible costs. That is, getting more ridership miles for the dollar. To this end, MPOs have been instrumental in carrying out alternative analysis to find the most cost effective transit for developing new transit facilities.

For example, after the alternatives analysis process, local officials in Baltimore selected an $87 million busway rather than a $425 million rail project. And in Boston, a $107 million commuter improvement was selected rather than a $407 million rail project in the North Shore corridor.

Finally, National Association of Regional Councils affirms the need to promote private sector involvement in public transit. Over the last two years, we have been working with Urban Mass Transit Administration to encourage stronger ties between public transportation agencies, in particular metropolitan planning organizations, and the private sector. In accordance with an Urban Mass Transit Administration policy directive, MPOs must include private operators in the early stages of the planning process. With limited public financial resources for transit we must look to the private sector to play a partnership role in dealing with our local transportation problems.

My agency is promoting greater private participation in providing new public transit services. We have examined several possibilities. The most promising options will be implemented soon. Urban Mass Transit Administration has given its preliminary approval of a demonstration project which will test the feasibility of initiating a flexible new minibus service. It will link certain metro stations with commercial centers previously inaccessible to metro.

I greatly appreciate the opportunity to testify before the Subcommittee today. It would be my pleasure to try and answer any questions you might have.

Mr. LEHMAN. Thank you. Where are the minibuses going to operate?

Ms. CRENCA. There are two of them that we had in mind. I am glad you asked. One has to do—I don't know whether you know Montgomery County too well—35-A, which is an extension of Rockville Pike, has several stations on the red line such as Twin Brooks, et cetera, and we want to get people to leave their cars at home where they belong, ride metro, and then if they have to get off of metro, to go to stations that are places in between, they would get off.

We can't afford regular metro because, or ride-on bus transportation because it is not flexible enough and would cost too much, so we are proposing a partnership with the private sector. One of these organizations that has the kind of transit that is used, the kind of limousines and the buses that go to Dulles and other airports, and that gentleman has time, his hours when he would be willing to use those buses to do in between service.

We would propose charging a minimum fare of the citizens—perhaps 25 cents, and the private sector, stores and business along the way, would help subsidize it, and the owner of that fleet of small vehicles would be willing to work for a minimum kind of return. He would make money in addition.

In addition to that we are trying to connect White Flint with Tyson's via the same kind of minibus.

The third one is not a bus but might be lots of cab drivers are unemployed in the daytime in the Fort Totten area—that is settled, mature communities in the District of Columbia, mainly older people, and we can afford buses to take care of all the pickups to take them to Fort Totten station. We have in mind to try out using taxicabs—small vehicles in other words—and they feel it is cost effective, that cab drivers would be willing to perform that kind of substitute minibus service.

Mr. Lehman. Subsidized mostly by the private sector?

Ms. Crenca. Yes sir, very definitely so. Urban Mass Transit Administration is looking over this to see if it is the kind of thing that is likely to work. We are asking them to give us guidance. We have already done it on the local level. We think it will work and they seem to indicate that it sounds like a good public-private partnership.

Mr. Lehman. Just be careful.

Ms. Crenca. If you want to advise us, we will put you on our committee.

Mr. Lehman. During the transit hearing we talked about the need to link up developmental zoning, zoning development with the transit system planning. One of the classic examples of its not being done is the way that Tyson's Corner has been developed, and Metro completely bypassed probably the fastest growing area of Metropolitan Washington. Shouldn't we have better coordination between development and——

Ms. Crenca. The old expression goes we get too soon old and too late smart.

Mr. Lehman. I will let you quit while you are ahead.

Ms. Crenca. Thank you.

Tuesday, April 22, 1986.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

WITNESSES

EDWARD MURPHY, LEGISLATIVE COUNSEL, NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES

VIN EARLY, PRESIDENT, LOCAL UNION R1-195

Mr. Lehman. National Association of Government Employees.

Mr. Murphy. My name is Ed Murphy, Legislative Counsel for the National Association of Government Employees. To my right is Vin Early, who represents employees of the Transportation Systems Center, Cambridge, Massachusetts.

The National Association of Government Employees and the employees at Transportation Systems Center are deeply appreciative of this committee for its broad bipartisan support of Transportation Systems Center. We hope to continue working with you during this Congress to ensure that Transportation Systems Center continues as an integral part of the Department of Transportation's research and operational support effort.

The Transportation Systems Center, located in Cambridge, Massachusetts, is a world renowned transportation research and operational support facility. Over the past 15 years Transportation Systems Center has developed a team of transportation specialists which have provided technical and scientific, and management support to the broad policy decisions made by the Office of the Secretary, and other federal agencies.

The center has been changing in a number of important ways. In the years 1970–75 all but a small percentage of Transportation Systems Center's work was in research and development. Today well over half of the center's work is in operational support. Planners at the center regard this trend as likely to increase from 1985 to 1990 so that close to 75 percent of the Transportation Systems Center work will be in operations during this time period.

Historically the Transportation Systems Center has performed over 95 percent of its work for the Department of Transportation. Recently, however, the Transportation Systems Center has entered into a working agreement, by memo dated May 1, 1985, to provide substantial work for the Department of Defense. Transportation Systems Center's FY 86 program obligations for DOD projects will be for $10 million and involve about 50 person years of in-house efforts. Transportation Systems Center will serve as a DOD think tank to support DOD transportation and logistics activities. Transportation Systems Center will provide technical guidance and direction for automation of DOD transportation and logistics systems, and serve as a catalyst for Department of Transportation/Department of Transportation technology transfer in areas of navigation, surveillance, and communication.

Transportation Systems Center will also provide technical guidance and direction in the upgrade and maintenance of military operated railroads, highways, airfields, and transportation equipment. The goal of this work is to enhance strategic and tactical mobility, and reduce the cost of defense.

In addition, the Transportation Systems Center will facilitate in the identification of critical transportation facilities, and their vulnerability, a study most timely in light of the recent wave of terrorist attacks.

The General Accounting Office in a March 1, 1985 study entitled "Major Defense Issue Being Addressed by the General Accounting Office" identified several of the logistic issues being addressed by the Transportation Systems Center as major issues for the Department of Defense.

Over the last two years, as the Committee is well aware, the Office of Management and Budget blindly sought to discontinue operations at the center. The Office of Management and Budget sought to close the Transportation Systems Center despite evidence that the research performed at the Transportation Systems Center was essential to many Department of Transportation programs, and without any plans for alternate performance for the work performed at the Transportation Systems Center.

When it became apparent that the Congress would block attempts to discontinue operations at the Transportation Systems Center, through the appropriations process, the Office of Management and Budget attempted new tactics to dismantle the Transportation Systems Center. The Office of Management and Budget's new tactics consisted of attempts to contract out the Transportation Systems Center, and attempts to have other modalities withhold work from the Transportation Systems Center.

The Office of Management and Budget's current plan to close the center revolves around efforts to privatize the center by April 1987. This effort continues despite the clear evidence of the role played by the Transportation Systems Center in inherently government decision making. The Transportation Systems Center provides research and technical assistance to the Secretary, which helps set priorities, and direction for our nation's transportation system. It is clear to us that these are decisions which are best made by employees whose primary allegiance is to the Department of Transportation and not towards making a profit.

Much of the advice provided by the Transportation Systems Center, or a privatized entity, will result in major procurement contracts. We wonder if future secretaries would rather that this advice come from federal employees or employees from a privatized entity who also represents contractors eligible to bid on such procurement contracts? It is clear to us that this work is best performed by career civil servants whose loyalty is solely to the Department of Transportation.

The employees of the Transportation Systems Center currently oversee and administer contracts with the private sector valued in excess of $60 million. If the Office of Management and Budget had its way this $60 million in taxpayer dollars would be overseen by other private sector contracts. Who is guarding the public purse under these circumstances. The Office of Management and Budget apparently has not learned from the problems DOD has experienced in recent years in administering their contrcts with the private sector. Tales of $100 hammers, $50 ashtrays, and $1,000 toilet seats has convinced the majority of American people that more controls, not less controls, are needed. Yet the Office of Management and Budget would swim against the tide and allow the $60 million in contracts administered by Transportation Systems Center to be guarded by private concerns.

The Transportation Systems Center has 500 employees, about two-thirds of which hold advanced academic degrees primarily in engineering, economics, mathematics and computer-related disciplines. There has been a growing awareness throughout government, fueled in large part by David Packard's White House Science Council, on the importance of attracting and retaining quality scientists and engineers in federal service. The Office of Management and Budget apparently does not agree with the thrust of Mr. Packard's recommendation, as they have done everything in their power to encourage turnover at the Transportation Systems Center.

The experience of the Transportation Systems Center with the Office of Management and Budget over the last two years has convinced us that if the Office of Management and Budget is left with any room to operate they will close the center irrespective of the cost or impact on transportation knowledge and productivity. With the recent expansion of the Transportation Systems Center into non-Department of Transportation areas such as defense, it is more important than ever that a clear signal be delivered that the Transportation Systems Center will continue to be ready, willing and able to conduct long term projects. Agencies, and modalities within the Department of Transportation are reluctant to commit scarce federal dollars to an entity whose future status is questionable. This is, of course, particularly important to the Transportation Systems Center, whose sole source of money comes from these entities.

The Transportation Systems Center is a valuable international transportation resource which should be protected and preserved. With this committee's assistance, the Transportation Systems Center can continue to provide a leadership role in addressing the broad range of transportation challenges confronting the nation.

We thank the Committee once again for the opportunity to testify, and would attempt to answer any questions.

[The prepared statement of Mr. Edward Murphy follows:]

NAGE SEIU
NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES
AFFILIATED WITH SERVICE EMPLOYEES INTERNATIONAL UNION, AFL/CIO
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TESTIMONY OF THE

NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES

TO THE

HOUSE APPROPRIATIONS COMMITTEE

SUBCOMMITTEE ON

TRANSPORTATION AND RELATED AGENCIES

REGARDING THE

TRANSPORTATION SYSTEMS CENTER

APRIL 22, 1986

The National Association of Government Employees, which is an affiliate of the Service Employees International Union, (AFL-CIO) is pleased to have this opportunity to present our views on funding for the Transportation System Center. The N.A.G.E. represents the 500 civil servants employed at TSC.

[The N.A.G.E. and the employees at TSC are deeply appreciative to this Committee for it's broad bipartisan support of TSC. We hope to continue working with you during this Congress to ensure that TSC continues as an integral part of the Department of Transportation's (DOT) research and operational support effort.

The TSC located in Cambridge, Massachusetts is a world renowed transportation research and operational support facility. Over the past fifteen years TSC has developed a team of transportation specialists which have provided technical and scientific, and management support to the broad policy decisions made by the Office of the Secretary, and other federal agencies.

The Center has been changing in a number of important ways. In the years 1970 / to 1975 all but a small percentage of TSC's work was in research and development. Today well over half of the Center's work is in operational support. Planners at the Center regard this trend as likely to increase from 1985 to 1990 so that close to 75% of the TSC work will be in operations during this time period.]

Currently the Center provides technicial and management support in the following areas.

- o Enhancement of the safety and security of the Nation's transportation facilities and systems.
- o Enhancement of the productivity of Federally operated transportation systems through the application of automation and related advanced technologies.
- o Effective and efficient enforcement of Federal transportation laws, treaties, regulations and grant/contractual requirements.
- o Development and analysis of policy, programmatic and regulatory actions to achieve national transportation objectives.
- o Technological, statistical, economic and other vital domestic and/or international transportation information.

- Preparedness planning for transportation readiness during national and regional emergencies and/or for national security and defense.

Historically the TSC has performed over 95% of it's work for the DOT. Recently, however, the TSC has entered into a working agreement, by memo dated May 1, 1985, to provide substantial work for the Department of Defense. TSC's FY 86 program obligations for DoD projects will be for $10 million and involve about 50 person years of in house efforts. TSC will serve as a DoD think tank to support DoD transportation and logistics activities. TSC will provide technicial guidance and direction for automation of DoD Transportation and logistics systems, and serve as a catalyst for DoT/DoD technology transfer in areas of navigation, surveillance, and communication. TSC will also provide technical guidance and direction in the upgrade and maintenance of military-operated railroads, highways, airfields, and transportation equipment. The goal of this work is enhance strategic and tactical mobility, and reduce the cost of defense transportation. In addition TSC will facilitate in the identification of critical transportation facilities, and their vulerabilty, a study most timely in light of the recent wave of terrorist attacks.

The General Accounting Office in a March 1, 1985 study entitled "Major Defense Issue Being Addressed By The General Accounting Office" identified several of the logistic issues being addressed by TSC as major issues for the Department of Defense. The GAO found that while the DoD was spending millions of dollars to improve rail capabilities at it's installations, it could not be assured that the rail network would be able to even move required material and equipment during mobilization. The G.A.O. also found that U.S. ports were highly vulerable to sabotage, and DOD needed plans to correct deficiencies. G.A.O. also questioned DoD's ability to move men and equipment from point to point as needed. As mentioned all these issues are being addressed by TSC as part of their agreement with DoD.

Over the last two years, as the Committee is well aware, the Office of Management and Budget blindly sought to discontinue operations at the Center. OMB sought to close TSC despite evidence that the research performed at TSC was essential to many DoT programs, and without any plans for alternate performance for the work performed at TSC. When it became apparent that the Congress would block attempts to discontinue operations at TSC, through the appropriations process, OMB attempted new tactics to dismantle TSC. OMB's new tactics consisted of attempts to contract out TSC, and attempts to have other modalities withhold work from TSC.

OMB's current plan to close the Center revolves around efforts to privatize the Center by April 1987. This effort continues despite the clear evidence of the role played by TSC in "inherently government" decision making. TSC provides research and technical assistance to the Secretary which helps set priorities, and direction for our nation's transportation system. It is clear to us that these are decisions which are best made by employees whose primary allegiance is to the DoT and not towards making a profit. Much of the advice provided by TSC, or a privatized entity, will result in major procurement contracts. We wonder if future secretaries would rather that this advice come from federal employees or employees, from a privatized entity who also represents contractors eligible to bid on such procurement contracts? It is clear to us that this work is best performed by carear civil servants whose loyality is soley to the DOT.

The employees of TSC currently oversee and administer contracts with the private sector valued in excess of 60 million dollars. If OMB had it's way this 60 million in taxpayer dollars would be overseen by other private sector contracts. Who is guarding the public purse under these circumstances? OMB apparently has not learned from the problems DoD has experienced in recent years in administering their contracts with the private sector. Tales of $100 hammmers, $50 ashtrays, and $1,000 toilets has convinced the majority of american people that more controls, not less controls, are needed. Yet OMB would swim against the tide and allow the $60 million in contracts administered by TSC to be guarded by private concerns.] This appears to us like hiring the fox to guard the hen house and will clearly result in increased costs.

OMB has clearly made TSC a political target, motivated in part by it's philosophy that the only good federal employee is a former federal employee. OMB apparently does not agree that public employees have a role to play in managing the government. OMB would be willing to sacrifice a facility as productive and important as TSC, regardless of the cost, or impact on productivity in order to be consistent with it's philosophy.

[The TSC has 500 employees, about two thirds of which hold advanced academic degrees primarily in engineering, economics, mathematics, and computer related discipines. There has been a growing awareness throughout government, fueled in large part by David Packard's White House Science Council, on the importance of attracting and retaining quality scientist and engineers in federal service. OMB apparently does not agree with the thrust of Mr. Packard's recommendation, as they have done everything in their power to encourage turnover at TSC.]

Turnover is particularly destructive to TSC as it has collected a core of scientists, engineers and technicians, whose skills and experience cannot be duplicated anywhere in the private sector. Rumors about the future closing of the center hes increased turnover significantly. Without the language inserted by the Committee into the last two years Appropriation's Bills the turnover problem would have been more acute. The loss of the key personnel can leave gaps in the Center's institutional memory which will result in lower productivity and diminshment of the Cemter's capacity. It is crucial for the maximum productivity of the Center that it be left intact, with the lowest turnover possible of key personnel. This key national transportation resource should be protected and utilized to it's maximum potential.

This Committee has vigorously opposed attempts by OMB to dismantle TSC. In each of the last two years the Committee has enacted into law language which prevented the use of funds to plan or implement any change in the current federal status of TSC.

The employees at TSC are deeply grateful to this Committee for protecting TSC from abolishment by OMB. We request once again that the Committee enact into law, language which prevented the use of funds to plan or implement any change in the current federal status of TSC.

The experience of TSC with OMB over the last two years has convinced us that if OMB is left with any room to operate they will close the center irrespective the cost or impact on transportation knowledge and productivity. With the recent expansion of TSC into non DoT areas such as defense it is more important than ever that a clear signal be delivered that TSC will continue to be ready, willing and able to conduct long term projects. Agencies, and modalities within DoT are reluctant to committ scarce federal dollars to an entity whose future status is questionable. This is, of course, particularly important to TSC whose sole source of money comes from these entities.

The TSC is a valuable international transportation resource which should be protected and preserved. With this Committee's assistance TSC can continue to provide a leadership role in addressing the broad range of transportation challanges confronting this nation.

We'd like to thank the Committee once again for your support of TSC, and for this opportunity to testify.

Mr. **Lehman**. Well, I am certainly pleased you have this information for the record. The Transportation Systems Center has been very helpful to this committee. I want to thank your for your testimony.

Mr. **Murphy**. Well, thank you, Mr. Chairman.

Tuesday, April 22, 1986.

AMTRAK

WITNESS

ROSS CAPON, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF RAILROAD PASSENGERS

Mr. **Lehman**. Mr. Ross Capon.

Mr. **Capon**. Thank you very much, Mr. Chairman. We appreciate all that the Subcommittee has done for the cause that we are interested in. You had heard a few moments ago from the organization whose acronym is NARC, so now it is time to hear from NARP, National Association of Railroad Passengers. I should say that most of our membership would unite with Ms. Crenca's general comments about federal funding on transit.

With respect to AMTRAK, our major pitch of course is to support the $606 million which has now been authorized and recently signed into law, and to underline the importance of AMTRAK's trackage, and to continue to maintain the reputation that it has fairly recently established of being a reliable and positive way to travel.

I mentioned in my prepared statement, which I assume will be in the record, that on a recent San Francisco to Chicago trip, my train was delayed by a total of more than two and a half hours because of engine failures, and I assume that that relates to Mr. Claytor's testimony about increasing the lengths between heavy maintenance of locomotives to points beyond what the manufacturer recommended. That particular trip is perhaps illustrative of what happens to AMTRAK's costs when locomotives don't perform properly.

Mr. **Lehman**. How many miles a year do you travel on AMTRAK?

Mr. **Capon**. I probably travel maybe three to five thousand depending on where my board meetings are.

Mr. **Lehman**. What kind of performance do you see? Other than the two hours you related, is it pretty well on time most of the time?

Mr. **Capon**. I was privileged to go to New Orleans for my honeymoon in October and the train was on time in both directions then, yes.

Mr. **Lehman**. I know you travel a lot.

Also, I offer you my congratulations. Please go ahead.

Mr. **Capon**. Thank you.

In any event, the most horrendous experience that I had, when they substitute engines and lose time—they lost about an hour—in Salt Lake City switching engines and another hour in Denver switching engines—the train being two hours and 40 minutes late in Chicago adds to the crew costs because the crews are now paid—at least on board service crews—are paid on an hourly basis, and thanks to the help from the committee, which we acknowledged here and appreciate very much, in terms of your report language last year, the train crews themselves will be paid on an hourly basis.

In the case of Denver we had to replace a Burlington and Northern engine, which slows up the train further, because its top speed limit is only 70 as opposed to 80. Also, I think AMTRAK paid a fairly heavy amount to them for the privilege of using their locomotive.

I don't think that there is anything more that I can tell you on the general subject of AMTRAK that you don't already know, so I won't waste your time. I just want to call your attention to the little table on page 3 and again the point we are making about freight railroads are not in rosy condition, as a lot of the general publicity about the Staggers Act would indicate, and we are extremely concerned about legislation which I believe at this point is only floating around on the other side of the Hill, that would allow larger trucks and in effect further reduce the extended cost recovery of heavy truck business, which is a major factor in the health of the railroads.

Mr. LEHMAN. Were the cars fairly well filled through the Midwest and Far West?

Mr. CAPON. The train I rode from Vancouver down to Sacramento and San Francisco was jam packed. There were I think over 400 people on it. Just a huge crowd.

Mr. LEHMAN. Were the people fairly happy?

Mr. CAPON. Yes, they were having a good time.

Mr. LEHMAN. Okay, thank you very much.

Mr. CAPON. Thank you.

[The prepared statement of Mr. Ross Capon follows:]

Statement of

ROSS CAPON

Executive Director

National Association of Railroad Passengers

Before the Subcommittee on Transportation

Committee on Appropriations

U. S. House of Representatives

FY 1987 Amtrak Appropriation

April 22, 1986

Mr. Chairman and Members of the Subcommittee, thank you for this opportunity to present the views of our Association, which is non-profit, consumer-oriented, and supported entirely by membership dues and contributions. We receive no financial support from the government, Amtrak, the railroads, or rail labor unions.

We thank the subcommittee for its strong support of Amtrak to date--both dollar-wise and in terms of well-informed and helpful report language. In particular, the language placing "Amtrak management and labor on notice" regarding the need for "productivity and managerial improvements" probably deserves much of the credit for the recent successful conclusion of agreements under which Amtrak will employ many train and engine crews under terms specifically negotiated for more efficient passenger-train operations.

I. Summary

This year, we seek the subcommittee's support for full funding of Amtrak's $606.1 million FY '87 authorization.

We are also concerned about the deteriorating financial health of the freight railroads and urge subcommittee members to do what they can to block new provisions which would further expand truck sizes and subsidies.

II. Continuing Amtrak Sympathy at DOT

I will spare the committee a repetition of most of what I covered in my 10-page statement of May 1, 1985. That statement included lengthy discussions of the important benefits Amtrak provides the nation and the history of subsidies to other modes which helped weaken the passenger train network prior to Amtrak's creation.

Also included were lengthy pro-Amtrak quotations, dating from 1984, from both Secretary of Transportation Elizabeth Dole and Federal Railroad Administrator John Riley. This year, it is worth noting some evidence that, notwithstanding the administration's FY '86 and '87 budget proposals, the Secretary and Administrator remain sympathetic to Amtrak's continued existence.

On Oct. 1, 1985, at a Union Station ceremony transferring management of the Northeast Corridor Improvement Project from FRA to Amtrak, Administrator Riley said: "This project is a combination of foresight and good management. This is now the 5th-fastest corridor in the world."

As this subcommittee knows, Mr. Riley's appropriations testimony here Mar. 13 and before Senator Andrews Apr. 9 contained many statements supportive of Amtrak--it's management, its labor relations progress, and its safety record.

Similarly, one could infer a recognition of Amtrak's importance from Secretary Dole's refusal to acknowledge at her Feb. 5, 1986 news conference that adopting the President's budget would mean killing the intercity passenger train. When asked what would happen to Amtrak's tracks and trains if the President's budget prevailed, she said, "I don't think it'll shut down."

That comment and her subsequent reference to "innovative thinking" by the states which has "already been going on" must be seen in the context of Mr. Riley's testimony here last month about state funding and the Secretary's own testimony April 23, 1985 (before a House Energy & Commerce subcommittee) that private enterprise is not "likely" to do the job.

III. Amtrak Needs $606.1 Million

Last year, Amtrak Pres. Claytor said that Amtrak, which received $684 million in FY '85, could live with $616 million this year (a 10% cut) only with great difficulty. Those difficulties are becoming more obvious. Claytor said last month that Amtrak is already "in a bit of a ditch with deferred maintenance" and that he must restore shorter intervals between heavy maintenance or locomotives. On a recent San Francisco-to-Chicago trip, my train was delayed a total of more than 2-1/2 hours by two engine failures.

Amtrak has been setting performance records in recent years largely because of its recently-established reputation for reliability. If that young but precious reputation is lost, Amtrak's ability to continue improving its revenues-to-costs ratio will also disappear, as will the pattern of increases in passenger-miles handled. (The 4.83 billion passenger-miles Amtrak handled in FY '85 was 6% above the FY '84 level, 16% above that of FY '81, and less than 2% below the record set in FY '79 when the gasoline crisis virtually forced passengers onto all forms of public transportation and Amtrak itself had a larger route structure than it does today. A NARP member recently called to report that the crowds he regularly sees at Amtrak's Orlando, FL, station are bigger than anything since World War Two.)

We fear that, without the full $606.1 million plus continued Northeast Corridor Project funding, Amtrak will be forced before October 1 to choose between losing revenue as a result of major service cutbacks or a continued deterioration in service quality. We believe Amtrak can afford neither approach and strongly hope you will find it possible to fund Amtrak at the authorized level. [Although the new authorization will increase payments to Amtrak by freight carriers using the Northeast Corridor, significant cost increases for Amtrak are also included. The Railroad Unemployment Repayment Tax, which also affects freight railroads, was estimated to cost Amtrak $4 million this year; and $8-14 million in FY '87. The new law also imposes smaller cost increases relating to customs and immigration.]

IV. Preserving the Tracks Amtrak Uses

So much has been said and written about the wonders which the Staggers Act has done for the rail freight industry that there is a tendency to overlook the serious problems still confronting that industry. While the railroads have held onto to their share of revenue ton-miles during the past decade, this reflects growth in less-profitable bulk commodity traffic, especially coal. More significantly, railroads' share of revenues dropped from 23.9% in 1975 to an estimated 17% last year.

Year	% of Intercity Freight	
	Revenues	Ton-Miles
1929	72%	74.9%
1960	31.1%	44.1%
1965	27.4%	
1975	23.9%	36.7%
1980	20.4%	37.5%
1983	17.7%	36.4%
1985 (preliminary)	17.0%	

The Association of American Railroads has just reported that "earnings for the nation's freight railroads fell by 32.9% in 1985." Although the decline was partly caused by "a significant accounting adjustment undertaken in the fourth quarter by the railroads owned by CSX Corporation," the CSX adjustment only changed the degree of bad news. Without that adjustment, earnings still fell 10.7%. Similarly, the rate of return on net investment for calendar 1984 was 5.76%; in 1985 it was 4.89% without the accounting adjustment, 3.91% with that adjustment.

We strongly oppose various efforts now afoot in Congress to allow still bigger truck sizes and subsidies and we respectfully urge the subcommittee members to do what they can to oppose those efforts. Railroads are already at a disadvantage because their infrastructure is privately owned, meaning:

(a.) railroads' right-of-way costs do not decline as sharply in "recession" years as do truckers' right-of-way costs (truck highway user charges are directly proportional to highway usage); and

(b.) railroads have a high financial exposure to unusual weather conditions (such as the floods California experienced in February) and the resulting damage to infrastructure.

Some of our board members are skeptical about whether there is a long-term future for private, infrastructure-owning railroads trying to compete with highway and water carriers using publicly-owned infrastructure, but our board is united in opposing further increases in allowable truck weights and in hoping that some form of weight-distance tax, now under consideration at DOT, will increase the extent to which heavy trucks pay for the damage they do to the highways.

Thank you very much for the opportunity to appear.

TUESDAY, APRIL 22, 1986.

AMTRAK
URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESSES

RICHARD B. GRIFFIN, DIRECTOR, GOVERNMENT RELATIONS, GENERAL SIGNAL CORPORATION

JAMES MULLERVY, REGIONAL MANAGER OF TRANSPORTATION, WESTINGHOUSE ELECTRIC CORPORATION

ANTHONY J. ROMERSA, VICE PRESIDENT AND GENERAL MANAGER, RAILROAD PRODUCTS DIVISION, VAPOR CORPORATION OF CHICAGO

Mr. GRIFFIN. Good afternoon, my name is Richard Griffin, Jr., and I am Director of Government Relations for the General Signal Corporation of Stamford, Connecticut, and a member of the Railway Progress Institute's Committee on Passenger Transportation. I bring the apologies of our committee's chairman, Mr. Larry E. Salci, President of Transit America, Inc., who had intended to lead our panel, but who has found it imperative to be elsewhere today. With me are Mr. James Mullervy, Regional Manager, Transportation, Westinghouse Electric Corporation; and Mr. Anthony J. Romersa, Vice President and General Manager for the Railroad Products Division of Vapor Corporation of Chicago.

Our committee, Mr. Chairman, is comprised of more than 50 major companies whose products and services are provided to systems that carry passenger by rail.

In the interest of conserving time, we wish to present our major points briefly and offer to your subcommittee a policy statement elaborating our concerns in detail. I request that you make this a part of the record.

Mr. LEHMAN. All right, without objection, it will be placed in the record.

Mr. GRIFFIN. Okay, Mr. Chairman. We derive from your subcommittee and others here in the United States Congress the nearest thing we have to our country to a clear-cut, comprehensive national transportation policy. There is always general agreement that a balanced, modern, and efficient transportation system is necessary if a society is to grow and prosper, but we have to translate that agreement into specific budget items.

We have come to urge the Congress to maintain a core level of support for public mass transportation and for AMTRAK. We regard the fiscal year 1986 funding level for Urban Mass Transportation Administration as the irreducible minimum. We believe that a $606 million appropriation for AMTRAK is the irreducible minimum under today's circumstances.

The administration recommends a budget far below that core level. We believe that one of the administration's underlying objectives here is to make all recipients of federal tax dollars aware that they must discipline themselves into a lower dependence upon the national government. This is a concept that we can endorse. Federal dollars should be hard won, especially in the current budget situation.

However, the administration's approach is too draconian. It is a deliberate reversal of Congress' commitment to a balanced transportation system. It not only threatens the systems themselves but it jeopardizes all of our national investment in these systems.

Why throw the baby out with the bath water when all we need to do is lower the water level?

The United States has invested some $10 billion in AMTRAK. It has become a world class rail passenger transportation system. Moreover, AMTRAK has made dramatic progress in reducing its need for federal support. It has raised operating income. It is using its capital resources to generate additional revenue, including leasing its right of way for fiber optic communications and for real estate developments. It has reduced labor costs and improved productivity.

We recognize that Congress is helping AMTRAK in this effort in a number of ways. We urge the Congress to continue this commitment to AMTRAK by appropriating the $606 million, which we believe is the absolute and irreducible minimum under today's circumstances for fiscal year 1987.

Otherwise, Mr. Chairman, we foresee the permanent and irrevocable termination of intercity rail passenger service and loss of this all weather capability for national defense. We foresee waste on a staggering scale—scrapping $3.2 billion in modern locomotives, equipment and shops, deterioration of the Northeast Corridor and a federal liability of several billion dollars in labor protection payments. We foresee immediate unemployment of 23,000 taxpaying employees, a dramatic impact upon already saturated airways and highways, and loss of any form of public travel for 28 communities and reduced transportation options for more than 500 communities, Mr. Chairman.

Finally, AMTRAK is vital, because of its purchases to a number of railway supply companies which also employ taxpaying workers, and which buy materials and supplies from still other companies. AMTRAK does not stand alone. It is part of the nation's business and social fabric. We urge the Congress to give it the funds it must have to continue.

Now, Mr. Romersa will discuss urban mass transit.

Mr. ROMERSA. Mr. Chairman, the United States has invested some $25 to $30 billion over the past years in public mass transit. Should Congress provide fiscal year 1987 funding at a level lower than this current fiscal year's, we believe that 20 percent of the urban mass transit systems would be forced to consider shutting down. Certainly, required maintenance would be deferred or eliminated, bringing its trains an accelerating deterioration of service. Plans for new systems would be abandoned; expansions of existing systems would be eliminated, and the mobility of many of our citizens would be reduced.

It is difficult for us to conceive that Congress would let that happen. We urge that the Congress not let this happen.

As Mr. Griffin said, we fully endorse all initiatives to create substitutes for federal support of mass transit. Alternative funding methodologies ranging from privatization to loan guarantees to safe harbor leasing are worthy of serious study and pursuit.

However, this time, they cannot replace the irreducible federal responsibility toward mass transit.

The rail rapid transit systems are inextricably linked to the economy. In addition to meeting their own payrolls, they also purchase equipment and supplies from many taxpaying companies.

Before I left Chicago, I asked our purchasing department to give me a list of our vendors who supply products to us for mass transit. There were over 1100 companies and over $20 million. I was surprised at the number myself, frankly.

It is simply impossible to regard a rail transit system in isolation. Every such system is also part of the national economy, and the federal dollars invested are not a drain on the Treasury. They are investments in economic generators. One need only look at the development taking place around the subway stations in the metropolitan Washington area.

Should Congress provide fiscal year 1987 funding at a level lower than this year's current fiscal year's, we believe that 20 percent of the urban mass transit systems would be forced to consider shutting down. Certainly, required maintenance would be deferred or eliminated, bringing in its train an accelerating deterioration of service. Plans for new systems would be abandoned; expansions of existing systems would be eliminated, and the mobility of many of our citizens would be reduced.

It is difficult for us to conceive that Congress would let that happen. We urge that the Congress not let this happen.

As to the viability of the central cities, it is reported that in Philadelphia, 64 percent of downtown employees use transit to get to their jobs; in Atlanta, 40 percent; in New York City, Chicago and Toronto, 80 percent; and in Cleveland, 50 percent.

From the general, we wish to move to two specific matters which will be discussed by Mr. Mullervy.

Mr. MULLERVY. Thank you.

The first matter, Mr. Chairman, is the Urban Mass Transit Administration's section 6 research and technology program, the 3(a)(1)(c) technology introduction program, and other related programs. The objective of these programs is to reduce capital and maintenance costs and to improve reliability and safety—and hence productivity.

The record of past years hearings will provide ample evidence of the long list of technological successes under programs such as the technology introduction program. However, we now must report that although funds have been authorized and appropriated for FY 85 and 86, we have been able to find only two FY 85 grants which have been approved. No solicitation of applications for FY 86 grants has even been issued yet.

We note that the deadline for applications for FY 85 funds was December 17, 1984—16 months ago. From what our member companies know and from what they have heard, a number of applications—approximately 20—were submitted.

Except for the two grants cited, the other applications have been and still are under review.

Mr. Chairman, this looks like impoundment by procrastination or, at least torpidity that verges on becoming total inactivity. This is an affront to Congress and the American people and we urge Congress to put a stop to it.

The second matter is buy America, which has been raised during the appropriation process. Our committee wishes to go on record before your subcommittee with three major points:

1. With the massive incursion of foreign suppliers into the U.S. rail transit market, it is buy America with its requirement for 51 percent domestic content and final assembly in this country that gives our domestic industry a fair opportunity to compete here at home.

2. This provision should not only be continued, but its administration should be strengthened by requiring both pre-award and post-delivery audit of contracts to assure compliance.

We thank the Chairman and the Committee for their attention and consideration, and we offer now to respond to questions.

[The prepared statement of Mr. Richard B. Griffin, Jr. follows:]

Statement of the Committee on Passenger Transportation
Railway Progress Institute
before the
Appropriations Transportation Subcommittee,
U.S. House of Representatives

April 22, 1986

My name is Richard B. Griffin, Jr., and I am Director of Government Relations for the General Signal Corporation of Rochester, New York, and a member of the Railway Progress Institute's Committee on Passenger Transportation. I bring the apologies of our Committee's Chairman, Mr. Larry E. Salci, President of Transit America Inc., who had intended to lead our panel but who has found it imperative to be elsewhere today. With me are Mr. James Mullervy, Regional Manager, Transportation, for Westinghouse Electric Corporation, and Mr. Anthony J. Romersa, Vice President and General Manager for the Railroad Products Division of Vapor Corporation of Chicago.

Our Committee, Mr. Chairman, is comprised of more than 50 major companies whose products and services are provided to systems that carry passengers by rail.

In the interest of conserving your time, we wish to present our major points briefly and offer to your Subcommittee a policy statement elaborating our concerns in detail. I request that you make this a part of the record. ①

Mr. Chairman, we derive from your Subcommittee and others here in the United States Congress the nearest thing we have in our country to a clear-cut, comprehensive national transportation policy. There is always general agreement that a balanced, modern, and efficient transportation system is necessary if a society is to grow and prosper, but we have to translate that agreement into specific budget items.

We have come to urge the Congress to maintain a core level of support for public mass transportation and for Amtrak. We regard the Fiscal Year 1986 funding level for the Urban Mass Transportation Administration as the irreducible minimum. We believe that a $606-million appropriation for Amtrak is the irreducible minimum under today's circumstances.

The Administration recommends a budget far below that core level. We believe that one of the Administration's underlying objectives here is to make all recipients of Federal tax dollars aware that they must discipline themselves into a lower dependence upon the national government. This is a concept that we can endorse. Federal dollars should be hard-won, especially in the current budget situation.

However, the Administration's approach is too draconian. It is a deliberate reversal of Congress' commitment to a balanced transportation system. It not only threatens the systems themselves but it jeopardizes all of our national investment in these systems.

Why throw the baby out with the bath water when all we need to do is lower the water level?

The United States has invested some $10-billion in Amtrak. It has become a world-class rail passenger transportation system.

Moreover, Amtrak has made dramatic progress in reducing its need for Federal support. It has raised operating income. It is using its capital resources to generate additional revenue, including leasing its right-of-way for fiber optic communications and for real estate developments. It has reduced labor costs and improved productivity.

We recognize that Congress is helping Amtrak in this effort in a number of ways. We urge the Congress to continue this commitment to Amtrak by appropriating $606-million, which we believe is the absolute and irreducible minimum under today's circumstances for Fiscal Year 1987.

Otherwise, Mr. Chairman, we foresee the permanent and irrevocable termination of intercity rail passenger service and loss of this all-weather transportation capability for national defense. We foresee waste on a staggering scale -- scrapping $3.2-billion in modern locomotives, equipment and shops (who would buy them?), deterioration of the Northeast Corridor and a Federal liability of several billion dollars in labor protection payments. We foresee immediate unemployment of 23,000 taxpaying employees, a dramatic impact upon already saturated airways and highways, and loss of any form of public travel for 28 communities and reduced transportation options for more than 500 communities.

Finally, Amtrak is vital, because of its purchases, to a number of railway supply companies, which also employ taxpaying workers, and which buy materials and supplies from still other companies.

Amtrak does not stand alone. It is part of the nation's business and social fabric. We urge the Congress to give it the funds it must have to continue.

Now, Mr. Romersa will discuss urban mass transit.

MR. ROMERSA

Mr. Chairman, the United States has invested some $25- to $30-billion over the past 20 years in public mass transit.

Should Congress provide Fiscal Year 1987 funding at a level lower than this current fiscal year's, we believe that 20 percent of the urban mass transit systems would be forced to consider shutting down. Certainly, required maintenance would be deferred or eliminated, bringing in its train an accelerating deterioration of service. Plans for new systems would be abandoned; expansions of existing systems would be eliminated, and the mobility of many of our citizens would be reduced.

It is difficult for us to conceive that Congress would let that happen. We urge that the Congress not let this happen.

As Mr. Griffin said, we fully endorse all initiatives to create substitutes for Federal support of mass transit. Alternative funding methodologies ranging from privatization to loan guarantees to safe harbor leasing are worthy of serious study and pursuit.

However, at this time, they cannot replace the irreducible Federal responsibility toward mass transit.

The rail rapid transit systems are inextricably linked to the economy. In addition to meeting their own payrolls, they also purchase equipment and supplies from many taxpaying companies. ①

It is simply impossible to regard a rail transit system in isolation. Every such system is also part of the national economy, and the Federal dollars invested are not a drain on the Treasury. They are investments in economic generators. One need only look at the development taking place around the subway stations in the metropolitan Washington area.

A study by Peat, Marwick, Mitchell, paid for by Virginia businesses, foresees that, by 1995, development at Metrorail station sites in Northern Virginia alone will produce $660-million in additional state tax revenues, 34,000 new jobs, 15.7-million additional square feet of office and retail space, 2,300 additional hotel rooms, and 8,800 new residential units.

As to the viability of the central cities, it is reported that in Philadelphia, 64 percent of downtown employees use transit (bus and rail) to get to their jobs; in Atlanta, 40 percent; in New York City, Chicago, and Toronto, 80 percent; and in Cleveland, 50 percent.

(I will note incidentally that there is not an industrialized society in the world that does not have to subsidize mass transit in metropolitan areas.)

From the general, we wish to move to two specific matters which will be discussed by Mr. Mullervy.

MR. MULLERVY

Thank you. The first matter, Mr. Chairman, is UMTA's Section 6 research and technology program, the 3 (a) (1) (c) Technology Introduction Program, and other related programs. The objective of these programs is to reduce capital and maintenance costs and to improve reliability and safety -- and hence productivity.

The record of past years' hearings will provide ample evidence of the long list of technological successes under programs such as the Technology Introduction Program. However, we now must report that, although funds have been authorized and appropriated for Fiscal Years 1985 and 1986, we have been able to find only two FY 1985 grants which have been approved. No solicitation of applications for FY 1986 grants has even been issued yet.

We note that the deadline for applications for FY 1985 funds was December 17, 1984 -- 16 months ago. From what our member companies know and from what they have heard, a number of applications -- approximately 20 -- were submitted.

Except for the two grants cited, the other applications have been and still are "under review."

Mr. Chairman, this looks like impoundment by procrastination or, at least, torpidity that verges on becoming total inactivity. This is an affront to Congress and the American people; we urge Congress to put a stop to it.

The second matter is "Buy America", which has been raised during the appropriations process. Our Committee wishes to go on record before your Subcommittee with three major points:

1. With the massive incursion of foreign suppliers into the U.S. rail transit market, it is "Buy America" with its requirement for 51 per cent domestic content and final assembly in this country that gives our domestic industry a fair opportunity to compete here at home.

2. This provision should not only be continued, but its administration should be strengthened by requiring both pre-award and post-delivery audits of contracts to assure compliance.①

3. The Administration has testified that no study was made of the impact upon our industry of repealing "Buy America" before it sent Congress its recommendation for repeal. We believe the impact of such a sweeping recommendation should be studied before the matter of repeal is addressed.

In conclusion, Mr. Chairman, we urge the Congress, at a minimum, to appropriate at the FY 1986 level for the Urban Mass Transportation Administration's next fiscal year, and to appropriate $606-million for Amtrak. Pressures on the general fund make if difficult, if not impossible, to meet the irreducible Federal commitment to urban transit and intercity passenger rail service. Among the additional sources that Congress could provide is an increase in fuel user charges.

We thank the Chairman and the Committee for their attention and consideration, and we offer now to respond to questions.

# # #

SUMMARY

POLICY STATEMENT of the COMMITTEE ON PASSENGER TRANSPORTATION, RAILWAY PROGRESS INSTITUTE

The Federal Government must maintain a core level of support for urban transit and intercity passenger rail service. It cannot abandon the commitment of Congress and prior Administrations to a national transportation system which recognizes the importance and interrelationship of all modes. The Administration's proposed Fiscal Year 1987 budget, like its predecessor, signals the demise of this long-standing Federal commitment. Alternative funding methodologies -- from privatization to loan guarantees to safe harbor leasing -- are worthwhile, but they do not replace an irreducible Federal responsibility that must be met if we are to avoid fatal damage to our nation's urban transit systems and our intercity passenger rail service.

Urban Mass Transportation Administration

1. The level of funding provided in Fiscal Year 1986 for operating and capital grants, research and development grants, and support for introduction of new technology is at the irreducible level. It must be maintained in Fiscal Year 1987.

2. Funding directed by the Congress should not be withheld or its obligation delayed. Doing so jeopardizes the operating systems and their suppliers.

3. Proceeds of the one-cent-per-gallon fuel user fee created for mass transit in 1982 must continue to be reserved for that purpose alone and must be disbursed at a level equal to revenues.

4. The Investment Tax Credit and Accelerated Depreciation provisions in the current Tax Code must be retained. This will encourage UMTA's privatization initiative.

Amtrak

1. The Federal subsidy at its present level is irreducible under present circumstances.

2. Congress should permit Amtrak to expand its ability to raise funds from private sources, and authority for Amtrak to issue tax-exempt bonds.

Buy America

Present "Buy America" provisions must be continued and the regulations enforced. Unilaterally opening the United States market to companies operating from protected economies as proposed by the Administration will only kill the remaining American companies in this field. This will abolish the jobs of some 125,000 taxpayers working for more than 500 companies.

Meeting the Federal Commitment

Pressures on the general fund make it difficult, if not impossible, to meet the irreducible Federal commitment to urban transit and intercity passenger rail service. Among the additional sources that Congress could provide is an increase in the fuel user charge.

--April, 1986

POLICY STATEMENT of the COMMITTEE ON PASSENGER TRANSPORTATION, RAILWAY PROGRESS INSTITUTE

Background

The Railway Progress Institute (RPI) is the trade association of suppliers of equipment and services to the nation's freight railroads and rail passenger transportation systems. The RPI Committee on Passenger Transportation is comprised of more than 50 major companies whose products and services are provided to rail rapid transit systems, commuter rail systems, and Amtrak.

Summary of Policy

The Federal Government must maintain a core level of support for urban transit and intercity passenger rail service. It cannot abandon the commitment of Congress and prior Administrations to a national transportation system which recognizes the importance and interrelationship of all modes. The Administration's proposed Fiscal Year 1987 budget, like its predecessor, signals the demise of this long-standing Federal commitment. Alternative funding methodologies -- from privatization to loan guarantees to safe harbor leasing -- are worthwhile but they do not replace an irreducible Federal responsibility that must be met if we are to avoid fatal damage to our nation's urban transit systems and our intercity passenger rail service.

Urban Mass Transportation Administration

Under the aegis of this Federal agency, and as provided by the Congress, the United States has invested some $25- to $30-billion dollars over the past 20 years in urban mass transit.

There are 22 metropolitan areas with rail rapid transit or light rail systems. Another six metropolitan areas are in varying stages of planning or seeking such rail systems.

By removing vehicles from congested streets and highways, by generating billions of dollars worth of new, high-density development in cities we expected to die just one generation ago, and by providing affordable transportation to those citizens who cannot afford any other mode, these rail systems are powerful economic generators, just as Congress envisioned.

Providing equipment and supplies to these rail transportation systems are more than 500 major companies whose employees, managers, and stockholders depend upon them for employment and return on investment.

FY 1986 Funding Is the Irreducible Minimum

Fiscal Year 1986's funds are barely sufficient to meet the Federal obligation to mass transit systems. If funded below current levels, 20 percent of the systems would be forced to consider shutting down, required maintenance would be deferred or eliminated and service would deteriorate, and plans for new systems and required expansions of existing systems would be eliminated, reducing the mobility of many of our citizens.

Properly planned and executed transit systems are an investment in a community's future; research and the introduction of new technology are essential to operating and maintaining such systems.

The Administration's Fiscal Year 1987 transportation budget proposes to cut transit programs by at least $2.1-billion -- a 68 percent reduction below Fiscal 1986's level. We are unalterably opposed to this de facto termination of Federal transit support.

Recissions or de facto Impoundments

We oppose the Administration's proposed $521-million recission. This would eliminate all discretionary funding for new systems and all extensions of existing systems except for three contracts providing for full Federal funding.

Further, the Administration's de facto impoundment -- or postponement through perpetual review -- of authorized and appropriated funds in the face of explicit Congressional direction to the contrary is a disgrace. It must stop!

In September of 1984, UMTA published its solicitation for applications for grants under the 3 (a) (1) (c) Technology Introduction Program. This program has as its objective the reduction of capital and maintenance costs for the systems and the improvement of their reliability and safety. Significant successes have been achieved under this program, and previous years' records of our statements to Congress will yield ample documentation for that assertion.

One recent outstanding success for domestic industry under this program is the New York Air Brake Company's RSU rotary screw air compressor. Under this program, New York Air Brake was able to service test this new compressor under rigorous every-day service on three railroad systems. It performed so well that it has been approved for a number of new projects, and now the company is delivering $500,000 worth of them per month.

The applications solicited in September of 1984 were for some $5-million available in this current year. Applications were due on Dec. 17, 1984. RPI member companies' reports show that a number of applications -- around 20 -- were submitted. So far as we have been able to determine, only two of those applications have been processed.

Thus "review" has become torpidity verging on total inactivity.

Integrity of the Dedicated 1-Cent-per-Gallon Fuel Tax

In 1982, the Congress adopted a fuel tax increase and dedicated one cent per gallon of the proceeds to mass transit. The integrity of this fund must be preserved.

We oppose the Administration's expressed intention of commingling these dedicated funds with $2.2-billion in highway trust funds to create an "Urban Mobility Block Grant Fund" to be distributed to states and local agencies on the basis of legislative formulas.

This concept reduces Federal highway funding by $1.9-billion, reduces transit funding by $2.1-billion below Fiscal Year 1986 provisions, allocates dedicated transit funds to states with few transit systems and, in other states, forces transit and highway entities to compete for scarcer resources.

Privatization

We endorse UMTA's efforts to create opportunities for private enterprise. We stand ready to assist the transit operators in meeting their needs. However, privatization cannot be used as an excuse to cut Federal support. Privatization should supplement, not replace, the UMTA program.

If privatization is to be truly successful, existing incentives such as the Investment Tax Credit and accelerated depreciation must be continued.

Amtrak

Under the direction of Congress, some $10-billion has been invested in this corporation and with splendid results. Today Amtrak is a world-class rail passenger system, one that any other industrialized nation would hold up as a triumph of its own industries' capabilities. The Northeast Corridor is one of the most sophisticated and complex rail systems in the world. Amtrak's superliners and metroliners are as modern as any. Amtrak has become everything Congress hoped it would.

Beyond that, Amtrak has made dramatic progress in reducing its need for Federal support. It has raised operating income. It is using its capital resources to generate additional revenue, including leasing its right-of-way for fiber optic communications and for real estate developments in such major metropolitan areas as Chicago and Philadelphia. It has reduced labor costs and improved productivity. It reached agreement with its unions to provide its own engine and train crews throughout its entire system, which will enable it to avoid cost penalties of operating outside the Northeast Corridor under freight railroad labor rules.

The Administration's recommendation would obliterate Amtrak, with the following consequences:

> Permanent and irrevocable termination of intercity rail passenger service and loss of this all-weather transportation capability for national defense.
>
> Waste on a staggering scale -- Scrapping of $3.2-billion in modern locomotives, equipment, and shops, deterioration of the Northeast Corridor, and Federal liability for $2.1-billion in labor protection payments.
>
> Immediate unemployment of 23,000 taxpaying employees.
>
> Increase of $167-million annually for other users of the Northeast Corridor and commuters using Washington Terminal.
>
> Dramatic impact upon already saturated airways and highways.
>
> Loss of any form of public travel for 28 communities and reduced transportation options for more than 500 communities.

Therefore, we support an appropriation of $606-million for Amtrak in Fiscal Year 1987.

We also support the proposal that Amtrak be authorized to issue tax-exempt bonds for capital acquisitions and improvements.

Buy America

The rail and transit sectors of the economies of the free world are effectively closed to American suppliers. The protected nature of these markets, which is authorized by the GATT agreement, forces American suppliers to look only to the Third World and the U.S. to sell their equipment. In the marketplaces of the Third World, where our industry can play on a level field, they have proven themselves able to compete successfully in terms of delivery and price, with financing provided by the Export-Import Bank.

In the United States, however, foreign suppliers are able to sell from protected, exclusionary markets; they utilize government-subsidized financing and other export aids, and they often sell at less than cost (selective dumping), thereby maintaining their own employment. They carry home United States citizens' tax dollars.

It is "Buy America," with its requirement for 51 percent domestic content and final assembly of transit vehicles in this country, that has enabled domestic companies to remain in their own home market and hold down this "exporting of dollars and jobs."

Multipliers derived from input-output studies of the U.S. Department of Commerce show how serious is the "exporting" of U.S. citizens' tax dollars. These multipliers show that one dollar spent for subway construction generates an additional $1.36 from the private sector through secondary and tertiary effects; a dollar spent for railcar manufacturing, an additional $1.60, and a dollar for bus manufacturing, $1.61.

Put another way, every $1-million of total production of railcars generates an estimated 44.2 man-years of work; for rapid transit construction, 42.4 man-years of work.

Thus, every U.S. dollar spent abroad exacerbates the balance of trade deficit, costs the United States economy the multiplier effect, and dilutes the need for employment of taxpaying workers. Far from constituting "open trade," this is actually exporting American jobs and tax dollars.

Now we find the Administration asking Congress to eliminate "Buy America," which provides a "level competitive playing field" here at home. The UMTA Administrator has told Congress that this recommendation was made even though no study of its impact upon domestic industry has been made. We urge Congress to be certain that a comprehensive, thorough analysis is made. Without prejudging results of that study, we believe it will be found that repeal of "Buy America" would have a major harmful, if not fatal, impact on this segment of American industry.

Furthermore, termination of the capital creation tools of Investment Tax Credit and accelerated depreciation from the Tax Code has also been proposed.

Therefore, we support continuation of the "Buy America" provision and we advocate its strengthening by Congress's requiring both a pre-award and a post-delivery audit of purchases of transit vehicles using Federal grant money.

Further, as noted under The Privatization Effort, we support continuing the Investment Tax Credit and accelerated depreciation provisions in the Tax Code.

Meeting the Federal Commitment

Pressures on the general fund make it difficult if not impossible to meet the irreducible Federal commitment to urban transit and intercity passenger rail service. Among the additional sources that Congress could provide is an increase in the fuel user charge.

--April, 1986

Mr. Lehman. I think you have presented a good case for what we have been trying to do here for a number of years, and especially by pushing a stone up here, this year, you brought that right down.

You push the stone up hill a little bit, and I feel like we are doing that this year with mass transportation.

Mr. Coughlin. Thank you for your testimony. You bring very expert testimony to the Committee. This is sort of like preaching to the choir.

There is not a country in the world that does not provide financial support for its rail traffic, industrialized or unindustrialized.

This all seems to have originated from some wrong-headed idea from David Stockman some two years ago. I guess I know that this subcommittee will need your help as we go through another long year in making sure we do get the funding for both mass transit and AMTRAK.

When UMTA was before the Committee, I asked about the proposal to do away with Buy American. If UMTA does study the matter, would the supply industry participate?

Mr. Griffin. Yes, sir, we think this is vital to the health of our industry, and indeed, we would even urge the committee to recommend to UMTA that they ask them to conduct such a study.

Mr. Coughlin. You indicated one recent instance before UMTA was only 13 percent?

Mr. Mullervy. 11 percent maximum so far, sir.

Mr. Griffin. Most of the workers have a decided foreign accent as well.

Mr. Lehman. Thank you very much for being with us.

Tuesday, April 22, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESSES

HON. PETER J. VISCLOSKY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

WILLIAM B. BERRY, PROFESSOR OF ELECTRICAL ENGINEERING, COLD WEATHER TRANSIT TECHNOLOGY PROGRAM MANAGER, UNIVERSITY OF NOTRE DAME

KEITH KAHLE, REPRESENTING ROBERT S. BUZARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ELECTROCOM AUTOMATION, INC.

CHARLES H. KNODEL, ELECTROCOM AUTOMATION, INC.

Mr. Lehman. I wonder if we could have Professor Berry and Mr. Kahle up together?

Also Congressman Visclosky?

Mr. Visclosky. I have a brief prepared statement for the record, and then I will answer any questions you might have.

I am here to testify on behalf of the joint project that has been undertaken between the University of Notre Dame in South Bend, Indiana and Electrocom Automation, Inc., Arlington, Texas.

Specifically, through House Joint Resolution 465 for fiscal year 1986, the recipients of the project were to be awarded a total of $2.5 million to continue research on the existing Cold Weather Transit Technology Program.

This amount was less than the original amount requested from university officials; however, since that time, university officials have worked to revise the program to meet the appropriated amounts for the project.

I would encourage the subcommittee to make sure UMTA abides by the Congress, and have those funds for the completion of it expended between the two partners in this project. From what I understand, there certainly are positive attributes that have been discovered through this project.

It would be a shame if the project was halted at this late date.

[The prepared statement of the Hon. Peter J. Visclosky follows:]

TESTIMONY OF THE HONORABLE PETER J. VISCLOSKY, M.C.

Mr. Chairman, I would like to thank you for this opportunity to testify before the House Appropriations Subcommittee on Transportation regarding matters of concern on the cold weather transit technology program.

This particular program applies to joint project between the University of Notre Dame in South Bend, Indiana and Electrocom Automation, Inc. Arlington, Texas. Specifically, through House Joint Resolution 465 for Fiscal Year 1986, the recipients of the project were to be awarded a total of $2.5 million to *continue* the existing cold weather transit technology program. This amount was less than the original amount requested for from university officials, however since that time, university officials have worked to revise the program to meet the appropriated amounts for the project.

I understand that upon meeting with officials at the Urban Mass Transportation Administration (UMTA) university officials were notified that the program would require and audit and subsequently would be put out for competitive bid. This decision by UMTA appears to be inconsistent with the original intent of this project as directed by the Congress.

I believe that Notre Dame has reflected their continued interest and commitment with this program and that they should receive the original amount of appropriations as directed for Fiscal Year 1986. This action would allow the university to continue their research on the project and most importantly carry out their field testing during the winter months of 1986 and 1987.

I appreciate this opportunity to appear before you today and thank you for your consideration.

Mr. **BERRY**. Thank you, Mr. Chairman.

We do want to thank you for the opportunity to appear before you and other members of the Committee on behalf of the Cold Weather Transit Technology Program, and we are especially pleased that the Honorable Congressman from the First District of Indiana has introduced us and meets with us here.

With me are Keith Kahle of Electrocom Automation and Charles Knodel.

Since I appeared before this committee approximately one year ago today, my statement is intended to apprise you of the progress this program has made over the past year. Unfortunately, lack of progress might be more descriptive, since the program has not yet been reinstated.

Let me review briefly the status.

On December 19, 1985, Congress, through House Joint Resolution 465 for fiscal year 1986, directed a line item expenditure of $2.5 million to "continue the existing Cold Weather Transit Technology Program."

Since this $2.5 million was less than the original grant request, Notre Dame, in cooperation with Electrocom Automation, Inc., undertook a careful examination of the program and revised it to pro-

AVAILABLE

vide the maximum benefits that could be obtained within the funding limitation.

On January 29, 1986, we met with Mr. Ralph L. Stanley, the Administrator of UMTA, and thoroughly reviewed this revised program. On February 26, 1986, the University of Notre Dame submitted to UMTA an application for UMTA assistance in the Cold Weather Transit Technology Program as appropriated.

This application addressed those items which have been of prime concern in recent years to the transit authorities and industry; and it retained the benefits which would have been received from, the program submitted in February 1985.

Notre Dame believes this application fully complies with the intent of the House-Senate action to continue this program to a meaningful conclusion, and seeks this committee's assistance in expediting its approval so work can be reinstated in time to assure testing objectives can be met during the winters of 1986-1987 and 1987-1988.

We are rapidly approaching the point where 1986-1987 is becoming a doubtful winter test period.

In response to the application submitted, attachment A, UMTA has taken the position that prior to extending this grant, an audit of the Cold Weather Transit Technology Program is required and the program must then be put out for competitive bid.

Notre Dame and Electrocom Automation have no objection to an audit of the program. We think that is an appropriate activity, and we feel that we should live up to the things that we do, and be able to stand behind them, and we are.

However, the competitively bid process comes as the intent of the Congress.

To continue, neither of these requirements appear to be consistent with, one, the will of the Congress; two, the concept of a "continuing" grant program; and, three, the transit interests where benefits would be delayed for at least a year if the program is not allowed to proceed now, so that active field testing can be conducted, during the winter months of 1986-1987.

A copy of Mr. Stanley's letter is attached to the materials submitted, and I would read that to you after I finish the remainder of my testimony, if I might.

You will also find a copy of my statement made last year at the end of this testimony, which outlines the work to be accomplished, accomplishments to date, and a brief program history. I won't go through all of those details, since you have heard them before.

In the interest of time, these will not be reviewed again, but the following comments will attempt to show the required program modifications in order to stay within the appropriated funds.

Of the seven proposed tasks, only number seven, Catenary Power Distribution Systems Winterization has been dropped completely from the revised request. The following projects retain most of the objectives included in the original program:

One, third rail deicing by radio frequency induction.

Three, local ice and frost formation prediction and sensing.

Five, mechanical ice scraper system design improvements.

An evaluation of the remaining three projects have been reduced in scope and still result in significant final results.

Therefore, we are proposing they remain in the program at this reduced effort level, but with full anticipation of achieving substantial portions of the goals outlined in the 1985 proposal.

These projects include: Two, elimination of spurious electromagnetic noise effects on electronic control.

Four, improved ice shedding materials for third rails.

Six, track switch deicer systems.

Notre Dame desires the record of achievements in the Cold Weather Transit Technology Program be continued to their ultimate conclusion through the approval of this February 26, 1986 grant request.

We cannot comphrehend any scenario which would provide equivalent benefits to transit operations by ignoring the foundation which has already been laid through extensive research and development work accomplished to date.

To duplicate the knowledge and training which presently exists would be costly and wasteful of both time and money.

We, therefore, are requesting that the Committee provide us with the mandatory necessary assistance to expedite the activation of the Cold Weather Transit Technology Program.

Mr. Chairman, again, we thank you for this opportunity.

If I might, though, before I finish, read the letter from Mr. Stanley into the record?

It begins:

"Dear Mr. Berry:

"Thank you for your correspondence to Vice President Bush, Secretary Dole and me in which you enclosed copies of the grant application for continuation of your Cold Weather Transit Technology Program. The Vice President and the Secretary have asked that I respond directly to you. This application for $2.5 million has been received by the Urban Mass Transportation Administration (UMTA).

"I enjoyed meeting with you to discuss this program. As I stated, we do plan to expend funds for cold weather transit technology, but we will do so through full and open competition.

"To comply with Congressional guidance, I have asked the Transportation Systems Center (TSC) to evaluate the Cold Weather Transit Technology Program and to report to me the applicability of this technology to transit operations.

"Based on the results of that study, UMTA will secure a contractor to work toward providing cost-effective solutions to cold weather problems experienced by transit operators. When the request for proposals is issued, all interested parties will be welcomed to compete for award of a contract to perform the necessary work.

"I hope this information is helpful. Sincerely, Ralph L. Stanley."

That concludes the letter which he forwarded in response to the application submitted.

[The prepared statement of Mr. William B. Berry follows:]

Attachment 2

STATEMENT

"COLD WEATHER TRANSIT TECHNOLOGY PROGRAM"

before the

Subcommittee on Transportation and Related Agencies
U. S. House of Representatives Committee on Appropriations
The Honorable William Lehman, Majority, Chairman
The Honorable Lawrence Coughlin, Minority

by

William B. Berry
Program Manager - CWTT Program
Assistant Dean for Research and Graduate Study
University of Notre Dame

Mr. Chairman:

Thank you for the opportunity to appear before the committee. With me are: Dr. Walter J. Gajda, Notre Dame Technical Program Director; Robert S. Buzard, President and CEO of ElectroCom Automation, Inc.; and Keith Kahle, Advisor to the President.

My statement requests appropriations to reinstitute the Cold Weather Transit Technology Program.

This program has essentially stopped due to lack of continued funding despite the direction by Congress to the Department of Transportation/Urban Mass Transportation Administration last year.

Despite CWTTP work cessation, two projects initiated by the program were continued by Transportation Agencies through the 84-85 winter period. These are the traction motor winterization modification on two cars of the Chicago Transit Authority and high energy efficient rail track switch deicing system of Amtrak at Niles, Michigan. Both of these programs continue to demonstrate outstanding performance and the merit of the CWTT Program.

In summary, this statement and its supporting documents seek the committee concurrence with this request for $7.5 million through line item direction to DOT/UMTA in its 1986 Appropriations under Section 6, Research, Development and Demonstration Projects of the Urban Mass Transportation Act of 1964, as amended, and through funding from uncommitted Fiscal Year 1984 and 1985 UMTA Section 6 Appropriations.

In the following pages, work to be accomplished, accomplishments to date and a brief program history are presented.

Rationale:

Cold weather frost, ice and snow continue to impose hardship on those who must use or prefer mass transit for transportation to work or shopping. The resultant loss in productivity and commerce has serious impacts lowering the gross national product, and, more importantly, decreasing the competitive viability of some businesses in wintry weather affected areas.

The severe conditions which devastated areas of the nation's northern tier in the winters of 77-8 and 78-9 prompted efforts to find cost effective technological solutions for the woes which beset the transit authorities and were devastatingly reflected in the conduct of business. The Cold Weather Transit Technology Program has led in hardware development and improvement to meet these needs. The results were not white papers on trends in technology but hands-on, how to do it solutions.

History

In the Spring of 1979, Notre Dame joined with the Vought Corporation to propose a four year, $20M, program for research and development of cold weather equipment for automated guideway systems in preparation for the downtown people mover (DPM) program. Congress appropriated funding, work commenced, and a series of reports resulted on complete hardware development in some areas of transit equipment operation and progress toward solutions in others.

In 1980, Congress appropriated funds for the second year. However, the new administration's diminished emphasis on the development of DPM systems resulted in an agreement to redirect the program to emphasize solutions for existing transit systems' problems under cold weather conditions. The problems were similar but the specific equipment differed in design and therefore required new design approaches.

The initiation of this redirected program required establishing confidence on the part of the transit properties and industries that the program would be a cooperative one. That this has been successfully accomplished is indicated by: cooperation and contributions to the program of equipment and services by numerous industrial equipment suppliers; personnel effort and equipment contributions by several transit authorities, and personnel effort and equipment from DOT/Transportation Systems Center.

The second phase of this work has been carried out and is documented in Appendix A. Some of the equipment hardware solutions are complete and either being implemented or ready for implementation by the Transit Authorities and their suppliers.

In May of 1983, a meeting of transit and rail representatives was held to discuss the progress made by the CWTT Program and to obtain their recommendations. Major Transit Authorities sending representatives included:

CTA (Chicago)
MBTA (Boston
NYCTA (New York)
SEPTA (Philadelphia)
WMATA (Washington)
AMTRAK (Chicago)
CONRAIL (Philadelphia)

Participating by mail were GCRTA (Cleveland) and PAT (Pittsburgh).

Also in attendance were representatives of DOT/Transportation System Center (Boston) and DOT/UMTA (Washington).

The product of this conference has been used to focus the proposed continuation work upon the Transit Authorities' priorities. This work was proposed before this committee last year and an application submitted to the UMTA. Action has not been taken to date on the request for the $7.5M continuation funding.

The section which follows focuses on four of the seven principal activities in need of continuation work which can be accomplished within the framework of the proposed continuation funding.

Work to be Accomplished:

The following list represents work of interest to the Transit Authorities and on which research and development progress has been made, but which also requires further research and development before marketable products can be produced which have the confidence of those who maintain and operate the transit systems for the public:

1. Third Rail Deicing by Radio Frequency (RF) Induction.
2. Elimination of Spurious Electromagnetic Noise Effects on Electronic Controls.
3. Local Ice and Frost Formation Prediction and Sensing.
4. Improved Ice-shedding Materials for Third Rails.
5. Mechanical Ice Scraper System Design Improvements.
6. Track Switch Deicer Systems.
7. Catenary Power Distribution System Winterization.

The complete description of these efforts was provided to the committee at the time of submission to DOT/UMTA, in part, as a special program report to Congress. Space permits discussion of four of them here. In all cases, the proposed solution bring new high-tech application improvements to old technologies.

A) Track Switch Deicer Systems:

This problem continues to be one which plagues transit authorities and railroads. To date the CWTT Program has worked with MBTA and AMTRAK concerning this problem. The insulated rail installation in Boston resulted in a 64% energy saving. Switch heater tests in a cold chamber indicated significant savings using more conventional insulation covered heaters on switches. Comparative performances have borne out these results in field tests conducted on AMTRAK switches in Niles, Michigan.

While these tests have been successful, the operation consists of having the system on in the fall and off in the spring. There is a need to develop weather dependent sensors and controls to implement energy saving techniques and cost effective management. Today's technology can provide these control systems and the transit properties and railroads will accept them if they have been appropriately tested and certified for safe use in the public domain. To accomplish this, accelerated testing will be conducted at the Transportation Test Center at Pueblo, CO and at well chosen sites with specific different winter weather profiles. These include the blizzards of North Dakota, New England ice storms, great lakes-lake effect snows and high country rapid freeze thaw cycles.

B) Third Rail Deicing by Radio Frequency Induction

This project continues to be the most imaginative of new applications development of old technologies. The advantage of this technology is that the energy is induced in the rail surface - right where it can do the most good. A new discovery of our work is that the induced energy is attracted to interface where the ice melts and debonds for easy removal. This is truly a "best of all worlds" application - one of those rare instances where nature works with you.

Laboratory element tests to date have proven ice removal at speeds up to 27 mph. Remaining work includes design and test of the prototype, system cost reduction and size reduction through new modern solid state power supply designs, noise generation test and shielding and implementation of uniform rail-heating design techniques. Again TTC at Pueblo, CO provides the ideal test facility where the prototype can be proof-tested and certified prior to operation on revenue service transit property.

C) Improved Ice Shedding Materials for Third Rail

This area on research and development focuses on an alternative means of decreasing ice and snow adhesion to third rails. Decreased adhesion means easier removal, by simple brushing in some instances. The concept has been demonstrated in the laboratory as a material with a quasi-teflon like quality, since ice does not adhere to teflon. The goal is to develop a material which has wear characteristics like steel, electrical contact and conduction properties similar to third-rail materials currently in use, and iceophobic (ice shedding) characteristics. Tests on a copper webbing provided by Imperial Clevite have shown these characteristics. The continuation work would include stainless steel. Development work at Pueblo would include coating a section of rail with this material to test its mechanical, electrical and iceophobic properties. Following test data verification and developing a technique for coating rails in the field, a section of rail in use by a Northern Transit Property will be prepared for in-service operational tests.

D) Local Ice and Frost Formation

There are two aspects to this problem: the first is the prediction that the conditions are right for ice or frost formation, and the second is the actual sensing of ice and frost formation. Both pieces of information are useful and necessary.

Prediction that favorable conditions for ice or frost formation exist enables the transit operator to prepare for the system interruptions which will occur when formation actually happens. Having sufficient warning to prepare or to take precautionary protective action avoids, in large measure, the service delays and interruptions which result. The system to be designed and placed in service for this part of this task is intended for those locations on a transit or rail system where ice formation has been known to occur most frequently or, on new installations, where it is predicted to be most troublesome.

The system for sensing ice formation is an on-board sensing system which measures the noise generated due to electrical energy transfer from the rail to the vehicle. The character of the noise changes in a measurable and predictable way when frost or ice begins to form. Measurement of this change is readily made and can be used to advise the vehicle operator or central system operator to initiate ice frost countermeasures.

The system concepts for these two systems have been studied and are ready for element testing and adaptation for system tests. Element and prototype testing would be accomplished on LTV's 18 ft Rotating Drum Facility and on a special vehicle at the Transportation Test Center in Pueblo.

Accomplishments to Date:

The CWTT Program accomplishments to date are presented in Appendix A and will not be discussed in more detail here. The work discussed above represents the implementation of the recommendations contained in Report UMTA-IN-06-0009-83-1 from which the Appendix was copied.

Appendix A

Extract from Volume 1 - Executive Summary
Report No. UMTA-IN-06-0009-83-1

4.0 CONCLUSIONS AND RECOMMENDATIONS

The Cold Weather Transit Technology Program has addressed the breadth of operating ice and snow problems faced by the nation's mass transit industry and has made great progress: in finding real solutions which can be implemented immediately perhaps with technology introduction assistance; in developing prototype solutions which have proven successful, but which require further development to generalize the specifications for use by suppliers and to implement; in completing initial development tests of systems for which element tests have been conducted and are ready for prototype development; and in conducting basic research and development on problems which show where technology innovations, improvements or development is both possible and desirable. The progress in each of these is outlined in the following paragraphs.

A. Technology which can be implemented or is ready for Technology Introduction:

A.1. Bus wheel well deicing units demonstrated over three winters at Lansing, Michigan, with the Capital Area Transit Authority.

A.2. Self-ventilating System for traction motors demonstrated over two winters at CTA, Chicago, Illinois.

A.3. Insulated rail technology demonstrated at MBTA, Boston, MA and achieved up to 84% reduction in required electrical energy.

A.4. A solution for rail pull-aparts which has been widely discussed with the transit industry and suppliers.

A.5. Rail switch heaters have been tested in the laboratory and in the field at AMTRAK in Niles, MI. These tests indicate two places to focus attention: the slider plates and the point rail tips.

Recommendation: That these technologies be introduced immediately by providing the transit authorities with the assistance necessary to speed the process.

B. Prototype technology field tested but in need of generalization of specifications and demonstration under operating conditions.

B.1. Rail Switch Heaters are repeated here due to the specification requirement for the slider plates and point rail tips, and the continued testing by AMTRAK.

B.2. The Prototype Hydroblast System tested successfully at MBTA and should be tested on an operating transit system. Further specification refinement and design is necessary for use on covered rails such as at Washington Metropolitan Area Transit Authority or inverted rails such as at the Southeastern Pennsylvania Transit Authority.

B.3. The Sensor developed to measure ice thickness by the Vought Corporation is well documented and ready for adaptation in specific applications for ice detection and detection of other rails in perfections.

B.4. The air filter associated with A.2. would be useful in any design which requires a clean air uptake from an environment where normal air contains too much particulate matter. Bus applications have been proposed but not evaluated.

B.5. New scraper designs are capable of preparation for specific application and adaptation to specific systems.

Recommendations: Switch Heating System (B.1.) continue to be monitored and/or tested. The Prototype Hydroblast System (B.2.) be tested in an operating system and its design be adapted to other rail configurations. Applications for the Sensor (B.3.) and Scrapers (B.5.) be reviewed and the air filter (B.4.) be investigated for application to buses.

C. Initial System Development Testing based on Element test results.

C.1. The radio frequency induction ice melting system has been element tested beyond the original design goal of 15 mph at 25°F to 27 mph at 28°F and 17 mph at 25°F.

C.2. RF Coil configurations have been tested in the laboratory and are ready for scale up for system element test to determine their effectiveness in ensuring uniform heating of the rail surface.

C.3. Data on local weather predictive capability have been obtained in limited form. This system is ready for field test and practical system design.

C.4. During electrical contact studies, a lead based shoe material in use by many companies was determined to have potential application to trolleys and other catenary transit operations. The material potential in these applications requires evaluation.

Recommendation: That work on the elements of these systems be continued and the systems developed. Scale-up test of the RF Coil (C.2.) and field testing of the shoe materials (C.4.) could be done at the DOT Test Center in Pueblo, CO, as could the system tests for the RF ice melting system (C.1.). Access to the Vought Corporation's Rotating Drum is possible as long as the company maintains the facility for further Coil (C.2.) work. The local weather station (C.3.) field tests could be done in cooperation with a Transit Property or at an air field.

D. Completion of Basic research and development to bring innovative concepts to practical technology.

D.1. The RF power supplies are in need of design and development work to reduce both size and cost. Use of modern solid state electronics is expected to accomplish both.

D.2. RF signal interaction with vehicle and wayside electronics should be evaluated to determine the requirements for either prevention or enhancement.

D.3. Iceophobic materials should be developed and tested to determine their applicability to existing systems and the energy saving vs. cost benefits.

D.4. The ice/frost precursor development scheme has shown laboratory predictive characteristics as anticipated and excellent potential for development realization into practical hardware. Its development should be continued. The technique may be extendable to rail flow detection.

D.5. As part of the iceophobic materials development, studies on electrical contact behavior have been necessary. These investigations have characterized the properties of contact behavior and led to suggestions for other useful contact materials for electrical/electronic applications as well as third rail power pickup.

Recommendation: That the necessary research and development on these topics be continued and the materials or systems be developed. The first four items should be developed and/or field tested. Again these could be accomplished readily at the Colorado Test Center. The electrical contact behavior work should continue at Notre Dame in cooperation with the supplier industries.

Mr. LEHMAN. Mr. Kahle?

Mr. KAHLE. Mr. Chairman?

Mr. LEHMAN. Do you want to submit your statement for the record?

Mr. KAHLE. I sure do.

On behalf of Electrocom Automation, and Bob Buzard, the President, Mr. Chairman, we are submitting a rather extensive statement outlining what we propose to do, and the situation as it is today, and Mr. Buzard is tied up all week on a business situation, and asks to be excused.

We thank you and the Committee for all of your continued interest and support.

Speaking of the word "continued," we want to emphasize and put a neon sign on that word, "continued." In the supportive statement in House Joint Resolution Number 465, dated December 19, in which both Houses on both sides of the aisle have approved, it is the will of the Congress that is is continued.

Without going into any detail, I would like to urge and suggest that this committee undertake whatever are the proper steps to insist that UMTA and DOD act properly, and follow the will of Congress.

I might add, Mr. Chairman, that the Majority Leader is submitting a letter to the Committee, which says in part that he suggests that this committee, that you take appropriate steps to ensure that the will of the Congress will be carried out.

I can assure you that Electrocom is able, willing and wanting to assist in any way, and we are eager to continue this very complicated engineering problem, fractionizing the steel rail at speeds of 30 miles an hour, which we did in Boston in January of 1984, and we want to continue that work.

We thank you, Mr. Chairman. We thank your staff for your continued interest and help. We ask that you assist us in getting this off-center, and on a personal basis, I would like to thank the Chairman and his staff for their courtesy at the Orange Bowl.

[The prepared statement of Mr. Keith Kahle and Mr. Charles H. Knodel follows:]

"COLD WEATHER TRANSIT TECHNOLOGY PROGRAM"
SUPPORTING STATEMENT

Before the
Subcommittee on Transportation
and Related Agencies

Chaired by

The Honorable William Lehman, Majority
The Honorable Lawrence Coughlin, Minority

of the

U.S. House of Representatives Committee on Appropriations

by

Keith Kahle
Advisor to the President
and
Charles H. Knodel
Engineer

for

Robert S. Buzard
President and CEO
ElectroCom Automation Inc.
P.O. Box 95080
Arlington, Texas 76005-9080

April 22, 1986

Mr. Chairman, my name is Robert S. Buzard and I am the President and Chief Executive Officer of ElectroCom Automation Inc. of Arlington, Texas. We are located in the mid-cities area between Fort Worth and Dallas. I am terribly sorry I cannot present this short statement to you and your committee in person. Our company is having a week long products/business seminar which requires all my time. However, I have asked Keith Kahle, my advisor, who is assisted from an engineering standpoint by Charles H. Knodel to substitute for me on this occasion.

ElectroCom Automation Inc. is pleased to appear today in support of the University of Notre Dame and Dr. William Berry to seek your prompt and strong assistance, plus those members of the full committee, for "continuing" the existing Cold Weather Transit Technology Program. Mr. Chairman and members of the committee, we request immediate attention and help for the Cold Weather Research & Development Program of which Notre Dame University is the "grantee".

This program and its funding of $2,500,000 has been approved by the Appropriations Committee in both the House and Senate and accepted as a Line Item. Originally, the request was for $5,000,000. Due to budget considerations, $2,500,000 was agreed upon spread over two years.

We call your attention to the Congressional Record of September 11, 1985, Page H 7363, wherein is recorded the House debate of that date (copy attached). In addition, we call your attention to "House Joint Resolution 465, Further Continuing Appropriations for Fiscal Year 1986", Report 99-450 of December 19, 1985, Page 331, which states,

> "...$2,500,000 to continue the existing cold weather transit technology program. The conferees direct the Department's

Transportation Systems Center to evaluate the cold weather transit technology program and to report to the House and Senate Committee on Appropriations regarding the applicability of this technology to transit operations that are affected by severe cold weather."

The key word here is "continue". There certainly cannot be any misunderstanding on interpretation as what "continue" means!

Even though the Congress has approved the "continuation" of the grant to Notre Dame, the Department of Transportation and UMTA have refused to "continue" the program, which is "the will of Congress". As a private citizen, it is my understanding "the will of Congress" under our Constitution must be followed. Not the "will of a government agency".

Mr. Chairman and members of the committee, we urgently seek your assistance and your help on this matter in this immediate area of time.

A year's reflection and review have left Notre Dame and ElectroCom Automation Inc. convinced the Cold Weather Transit Technology Program will provide tangible and needed benefits to large segments of the American public which resides in metropolitan areas subject to snow and icing conditions during the winter months. Improved and reliable Mass Transit System is a necessary requirement for meeting the present and future needs of our ever increasing population.

The "real world" benefits of this program have been demonstrated in Chicago and Boston. However, the major projects still in research and development require more development before graduation into daily operation. Without this next step, it is obvious the excellent engineering work which has already been done will be wasted.

For example, at Boston in January of 1984, working with the transit industry, the engineers obtained the complete dissipation of ice on steel rails at temperatures of 24°F to 25°F at a train speed of 30 m.p.h. This is a "first" in the free world. Another "first" the engineers must refine a process where they actually kept a lonesome railroad switch - on an Amtrack line - "open" during the tough, freezing months during the 1985-1986 winter at Miles, Michigan. The massive greater transportation benefits of this one program are still to be refined.

ElectroCom Automation Inc. is pleased the University of Notre Dame saw fit to select our company as its partner in the Cold Weather Transit Technology Program to replace the former contractor. We are uniquely qualified to carry on the work in cooperation with University of Notre Dame. Several key employees from the former contractor are now a vital part of ElectroCom Automation Inc. This assures technical continuity of the project in both the Third Rail Deicer System and the Track Switch Deicer System, plus other objectives. Many of the elements envisioned in these systems are identical or similar to systems which have been developed by ElectroCom Automation Inc. for high speed mail handling and complex radio communications systems now in daily service.

For background information, I have included for you a copy of the presentations made before this committee at your hearing last year. It would be redundant for me to review the program again in detail. However, let me quickly remind you of some of the highlights which have been changed to stay within the funding voted by Congress in the 1986 fiscal year budget. Basically, we propose to:

1. Demonstrate how existing Track Switch Deicer Systems can be made operable and upgraded to more effective systems with reduced energy requirements.

2. Install and test an improved Track Switch Deicer System which relies on microprocessor control to provide a high degree of energy efficiency.
3. Demonstrate an effective onboard RF deicing system capable of detecting and removing ice formed on the third rail or power rail of Rapid Transit Systems.
4. Show the practicality of the "backyard weather station" in controlling the operations of both the Track Switch Deicer System and the Third Rail Deicer System.
5. Supply recommendations on possible construction of future Third Rails utilizing isophobic materials.
6. Provide guidelines for deployment of future equipment to minimize the potential of generating disruptive radio frequency interference on existing equipment.

Notre Dame and ElectroCom Automation Inc. firmly believe the Transportation Test Center (TTC) located in Pueblo, Colorado provides an ideal proving grounds for field evaluation of the RF Third Rail Deicer System. This track, about 15 miles east of Pueblo on mostly level ground, has ideal weather conditions, including what we need, mainly, for testing which is "ice". Ideal "ice" conditions, excellent facilities and a freedom from interference with operating equipment give an unsurpassed opportunity to accomplish the field testing in a minimum amount of time and cost with a maximum assurance of correct test results. We look forward to the opportunity of working closely with the TTC personnel in the completion of this project.

We must also mention the concerns expressed by Dr. Berry regarding the delays which have been encountered in getting this project reinstated. ElectroCom Automation Inc. appeals for your assistance in "continuing

Cold Weather Transit Technology Program" as directed by the Congress of the United States.

Thank you for allowing us the privilege of carrying this concern directly to you.

We ask this elite Committee to make sure the "will of Congress" prevails.

Thank you.

99TH CONGRESS
1st Session
HOUSE OF REPRESENTATIVES
REPORT
99-450

HOUSE JOINT RESOLUTION 465, FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1986

DECEMBER 19, 1985.—Ordered to be printed

Mr. WHITTEN, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.J. Res. 465]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.J. Res. 465) making further continuing appropriations for the fiscal year 1986, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 5, 11, 15, 16, 27, 28, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 48, 52, 53, 54, 55, 59, 63, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 106, 116, 121, 122, and 134.

That the House recede from its disagreement to the amendments of the Senate numbered 9, 12, 17, 18, 19, 20, 21, 25, 61, 118, 119, and 120, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert the following:

(a) Such amounts as may be necessary for programs, projects, or activities provided for in the Agriculture, Rural Development, and Related Agencies Appropriations Act, 1986 (H.R. 3037), to the extent and in the manner provided for in the conference report and joint explanatory statement of the Committee on Conference (House Report Numbered 99-439), as filed in the House of Representatives on December 12, 1985, as if such Act had been enacted into law.

RESEARCH, TRAINING, AND HUMAN RESOURCES

Appropriates $17,400,000 as proposed by the Senate instead of $28,103,000 as proposed by the House.

The conference agreement includes $7,700,000 for the integrated transportation center, $250,000 for the Michigan state assistance model, and $2,500,000 to continue the existing cold weather transit technology program. The conferees direct the Department's Transportation Systems Center to evaluate the cold weather transit technology program and to report to the House and Senate Committee on Appropriations regarding the applicability of this technology to transit operations that are affected by severe cold weather.

to spend no more than the permissible amount for the total of all appropriations bills. We have made overall recommendations to comply with that obligation, and this particular amendment is not required in order to meet our responsibilities to reduce the Federal deficit.

Mr. Chairman, if an authorization bill should be enacted that reduces Amtrak spending, of course that would control. But in the absence of such an enactment, I urge that the recommendations of the committee be followed, and that Amtrak be permitted to stay on track.

I urge the defeat of the amendment.

AMTRAK,
NATIONAL RAILROAD PASSENGER
CORPORATION,
Washington, DC, September 3, 1985.
Hon. SILVIO O. CONTE,
House of Representatives, Rayburn Office Building, Washington, DC.

DEAR REPRESENTATIVE CONTE: Thank you for your letter of August 9 regarding the impact a 15 percent funding reduction would have on Amtrak's ability to operate the current route system.

In testimony before Congress this year, I urged support for a funding freeze at $684 million to operate our national railroad passenger system in fiscal year 1986. Even with full funding at the freeze level Amtrak would have to absorb an estimated $53 million in inflation over our FY1985 costs. Amtrak considered this a bare bones budget which would have required continued significant improvements in productivity over our current performance.

In response to questioning, however, I stated that it may be possible for Amtrak to continue to operate essentially the same routes it operates today if we receive funding at a level 10 percent below the fiscal year 1985 baseline. I had hoped that we would get by with this funding level and that we would be able, through our internally achieved efficiencies, to generate an acceptable maintenance posture and capital program in the out years. Among the actions Amtrak indicated it would take to operate with a 10 percent funding cut include:

Substantial reduction in the scope of Amtrak's capital program in FY86.

Hold employee wages and salaries at or near FY85 levels, in spite of the fact that wages are already 12 percent below rail industry rates, and middle and upper management salaries have a significantly greater differential.

Possible reduction of on-board service crew sizes and station manning levels, with some resulting adverse impact on quality of service and revenues.

Defer equipment overhauls and some right-of-way maintenance in the Northeast Corridor to the extent possible without impacting safety.

Limited reductions and the rearrangement of frequencies in the Northeast Corridor and on some long-distance routes, limited so as not to trigger labor protection obligations.

As you indicate, the FY86 First Concurrent Resolution on the Budget recommends a 15 percent funding cut for Amtrak, which is $34 million below the subcommittee mark, and a total of $100 million below Amtrak's FY1985 funding level. If Amtrak funding is reduced by $34 million in addition to the 10 percent reduction already contemplated, it will probably require elimination of frequencies in the Northeast and the restructuring of more additional long-distance routes from daily to tri-weekly service. Unlike most of the other programs and agencies that the Transportation Appropriations Subcommittee funds, Amtrak is an ongoing business in a very competitive industry. It is unrealistic to believe that a $100 million reduction in our funding from one year to the next will not have significant effects on both the level and quality of service we provide. In sum, Amtrak will survive with a 10 percent budget reduction and can accomplish many of these savings by taking actions that are based on sound business practices, but the company's long-term economic health and long-term program to continue to improve our service while requiring less and less federal operating support would be jeopardized by Appropriations Committee actions that imposed more drastic funding reductions in any one year.

With respect to your comments on the Montrealer, Amtrak is considering a series of changes which include establishing a stop in Greenfield, Massachusetts and shifting the operation of the train to a daylight schedule. I have asked my staff to review the feasibility of instituting an additional stop at Holyoke, Massachusetts and will advise you of our findings as soon as the analysis is complete.

Your support for Amtrak is appreciated more than I can tell you. I hope I have adequately answered your questions. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,
W. GRAHAM CLAYTOR, Jr.,
President.

☐ 1615

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONTE] has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 30 additional seconds.)

Mr. CONTE. Mr. Chairman, let me direct my attention to the gentleman from New Mexico and the gentleman from Indiana. If you are going to go by every assumption of the Budget Committee resolution and not the bottom line that they give us, you might as well make an amendment to this amendment and repeal the Appropriations Committee.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to direct an inquiry to the distinguished gentleman from Florida [Mr. LEHMAN], the manager of the bill.

I observe on page 83 of the committee report the following language:

> The amount recommended for research and technical assistance includes $5,000,000 for continuation of the cold weather transit technology program * * *.

I think that is an important program, with very positive prospects of saving lives. It is my understanding that the bill included such directions, last year, but that the money never was spent. Is that fundamentally correct?

Mr. LEHMAN of Florida. Mr. Chairman, if the gentleman will yield, that is true. The distinguished majority leader is absolutely right.

Mr. WRIGHT. Mr. Chairman, the distinction I discern is that this year you have attributed a specific sum: namely, $5 million, earmarked expressly for that research and technical assistance program: is that correct?

Mr. LEHMAN of Florida. The gentleman is correct.

Mr. WRIGHT. And I discern therefrom that under the rules and the law the administration is expected to spend it?

Mr. LEHMAN of Florida. That is right, unless they defer it or rescind it, and that would take action that I do not think would be forthcoming.

Mr. WRIGHT. Mr. Chairman, I thank the gentleman.

Mr. LEHMAN of Florida. I thank the majority leader.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, we hear a lot of talk from time to time about how the deficits that this country is faced with are, in fact, Presidential deficits, and that this Congress has been responsible in what it has done and, in fact, deficits cannot be blamed upon us.

Here is one of these amendments that gives us some clear way of defining what is real in this business of defining deficits, and I would hope that we would vote in that way.

The President had suggested in this bill a budget for transportation that was $3.3 billion under what the subcommittee reported and $2.3 billion under the measure as now amended by the subcommittee on the floor. Six hundred million dollars of that $2.3 billion is in the Amtrak account.

The President has suggested that what we should do on Amtrak is eliminate the Government subsidy completely, and he suggests that we have had 14 years of Amtrak attempting to get on its feet with taxpayer money, so what we now have is not a case of a viable system being created; what we have is a process, as the chairman of the subcommittee honestly admitted, of trying to maintain a viable system.

Now, the question becomes this: How long are we going to do that, and what do we regard as "viable"? Because as the OMB has made clear on a couple of occasions, we now have lines on Amtrak where it would be cheaper for us to fly people first class aboard airlines than to have them take the train. The Government would be better off, and the taxpayers would be better off flying people first class than having them on those rail lines with the kind of subsidy money we are spending.

That is ridiculous. The taxpayers in times of deficits should not be asked to do that kind of thing, and, in fact, the President is correct, that this is one of those programs we ought to look at for total elimination, saving $600 million and thereby doing something about the deficit.

But, of course, this Congress does not like to look at the elimination of any program. So what we end up doing

"COLD WEATHER TRANSIT TECHNOLOGY PROGRAM"

SUPPORTING STATEMENT

Before the

Subcommittee on Transportation
and Related Agencies

Chaired by

The Honorable William Lehman, Majority
The Honorable Lawrence Coughlin, Minority

of the

House Appropriations Committee

by

Robert S. Buzard
President and CEO
ElectroCom Automation Inc.

April 30, 1985

Mr. Chairman, my testimony today is in support of Dr. Berry's request for appropriations for the reinstitution and continuation of the Cold Weather Transit Technology Program.

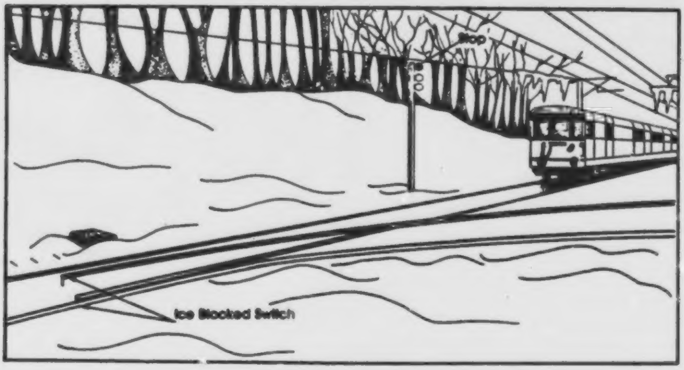
ElectroCom Automation concurs with, and supports, the University of Notre Dame in recommending that the Cold Weather Transit Technology Program be given an immediate restart through the issuance of interim funding. Assuming, as in the past, the Committee and conferees vote to continue this worthwhile program, it is respectfully requested that this action be inserted as a "line item" in the 1986 UMTA R&D section of the Department of Transportation and Related Agencies Appropriations Bill. This prompt action is encourage to get a good program going again, and to allow procurement of hardware for testing during the 1985-1986 winter period. Otherwise, due to agency inaction, this program will die on the vine. As such--specific direction by "line item" is deemed necessary.

Dr. Berry has presented the history and accomplishments of the program, and has outlined the projects to be undertaken in the proposed program continuation.

My testimony will expand on one of the program's ongoing projects, the Research and Development of railroad track switch deicing, as an example of how this programs continuation and extension can provide effective and significant solutions for the problems faced by the nation's railroads and transit systems each winter. Following this I will discuss briefly the other engineering application tasks of the proposed program continuation, their implementation and the benefits that will result from this work.

RAILROAD TRACK SWITCH DEICING RESEARCH

The railroad track switch deicer system research project has the potential for producing solutions that will greatly benefit the nations railroads and rail transit systems. This is based on the fact that thousands of track switches need, or are now equipped with some type, of track switch deicing system. The need is generated by the vital safety requirement to have the switches operational at all times--an ice and snow blocked switch stops the train!



In addition to providing safe operations, new track switch deicer systems are needed to provide economic and reliability improvements for these thousands of track switches to reduce the very significant operational and maintenance costs of energy intensive heating and labor intensive broom and shovel deicing of railroad track switches.

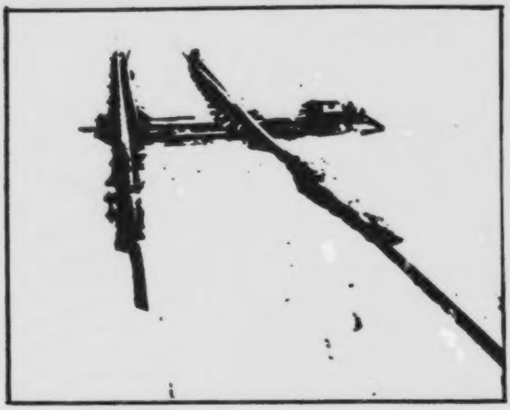
Most track switch deicer systems use mineral insulated tubular electrical heating elements similar to those used in electric ranges and ovens. The heating elements are bolted or welded to the track rails making up the switch. When turned on, the heat passes into the rail with the result that any ice or snow falling on or near the rail is melted away to prevent ice and snow accumulations from blocking the movement of the switch rails. Heaters are also provided to assure operation of the switch positioning mechanism. These deicer systems work very well, however, with a large electrical energy waste as about 80% of the heat is dissipated to the air. The heating elements are also reported to have poor reliability, that is, they have a high burnout rate. These burnouts generally occur when the element is activated; therefore, the replacement generally becomes a difficult and expensive job as the original heating element must be cut from the rail and replaced during freezing weather.

The investigation found that there are new energy efficient track switch deicer systems being developed and undergoing initial marketing in the United States and Europe. Since the effectiveness and performance of these systems have not been demonstrated, the railroad and transit systems are reluctant to deploy these systems in other than test and evaluation situations.

To speed up the process of deploying these new energy efficient systems cold chamber laboratory testing was implemented to demonstrate the operational characteristics of these deicer systems over a full range of expected ice and snow conditions. Included in these tests were two high energy systems and two of the newer low energy or energy efficient systems. The results show the high energy deicer systems provide excellent deicing, but with a high energy cost. The energy efficient systems provided adequate deicing for switch operations over most expected ice and snow conditions and they accomplish this at a 60 to 70% power savings. The laboratory tests were followed by an operational evaluation test of two switch deicer system installations conducted in cooperation with the National Railroad Passenger Corporation (AmTrak). The test system is located near Niles, Michigan and consists of a mainline switch equipped with a "Standard" mineral insulated tubular deicer system and a siding switch equipped with an energy efficient deicer system. The two switches are located within 100 feet of each other. The energy efficient track switch deicer system is comprised of thermally insulated tubular heater elements attached with spring clips to the running rails and in trays installed in the switch control rod areas.

The "Standard" deicer system is essentially the same as the low energy deicer system except that no thermal insulation is used. Because of this the heating elements of the "Standard" deicer must produce 330 watts per foot in comparison to the 75 to 100 watts per foot of the low energy insulated system to accomplish the same deicing job. This results in an energy savings of 60 to 80%. This finding verified the laboratory tests and a similar third rail heater element test on Massachusetts Bay Transportation Authority's Orange Line in Boston.

The test installation at Niles did not experience any appreciable snow until the February/March 1985 period during which several feet of snow has accumulated. The following photograph shows clearly the severity of that test and more importantly, the completely successful deicing job the low energy deicer accomplished.



Energy Efficient Track Switch Deicer
AmTrak Test Installation-Niles, Michigan

This completed research is considered to be only a first step in a needed project for developing better methods for railway track switch deicing. Therefore, a continuation of the track switch deicer research has been included in the proposed program as an engineering application task and will be undertaken by ElectroCom Automation with the support of Notre Dame.

Completion of this task will establish the basic criteria needed for the design and specification of efficient and reliable track switch deicing systems through actual hardware testing over a comprehensive range of test sites throughout the Northern United States. These include the following possible sites and the expected test environment:

- o TTC/Pueblo, CO. - Accelerated controlled testing using manmade snow
- o North Dakota - Blizzards/snow drifting
- o Northeast Corridor - Snowstorms and sleeting
- o Indiana/Michigan - Lake effect snows
- o Pennsylvania - Rapid freeze/Thaw cycle

This work will be implemented in accordance with the plan shown in the following chart:

Implementation Plan			
Project	Authority	Site	Deicer Test Systems
1	AMTRAK	North Dakota	■ MI Tubular ■ Self Regulating Tape ■ Hot Air Blower ○ Automated
2	CONRAIL	Upper New York	■ MI Tubular ■ Insulated Low Energy ■ Ambient Air □ Improved Existing
3	SEPTA	Philadelphia	■ MI Tubular ■ Self Regulating Tape ■ Insulated Low Energy ○ Automated
4	GCRTD	Cleveland	■ MI Tubular ■ Self Regulating Tape ■ Hot Air Blower □ Improved Existing
5	DOT/UMTA	Pueblo Co.	■ MI Tubular ■ Self Regulating ■ Hot Air Blower ■ Ambient Air Blower ■ Insulated Low Energy ○ Automated

Tasks

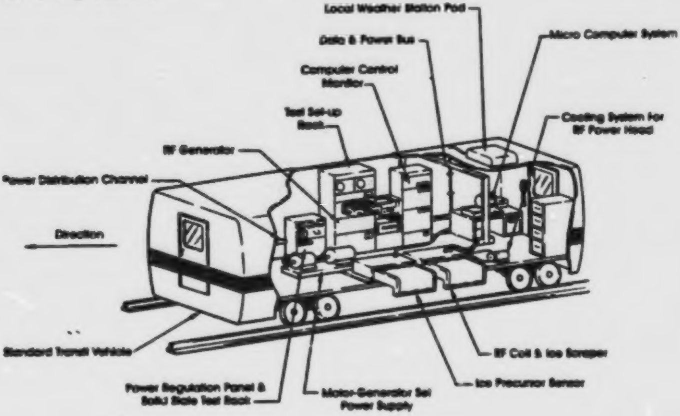
- ■ State-of-the-Art Deicer System Evaluation
- □ Improved Existing Deicer System Evaluation
- ○ Automated Deicer System Evaluation

Development of the Automated Track Switch Deicer system will be implemented in conjunction with Notre Dame as the "automation" will utilize the "Backyard Weather Station" technology developed by Notre Dame. This technology will be used to develop a local environmental status detector that combines the basic research work accomplished in the areas of ice/frost formation precursor detection, sensing and measuring of ice as it forms and local ice/frost formation meteorological sensors and correlates this information as input data for the track switch deicer system controller. The deicer controller will activate the deicing heating elements, alert operational personnel, and process environmental and operational data to maintain control of track switch deicer system operation. The cost of energy makes it imperative that the deicers are only used when needed.

The "other" engineering application tasks of the proposed program continuation respond to a similar set of circumstances just described for track switch deicing situations. These tasks will be implemented through the combined efforts of Notre Dame and ElectroCom in concert with the Railroad and Transit Industry and with the guidance, direction and support of DOT through UMTA and the Transportation Systems Center. A description of each of these tasks and their planned implementation follows:

RF COIL THIRD RAIL DEICER SYSTEM DEVELOPMENT

The RF coil third rail deicer system development is a joint Notre Dame/ElectroCom task that applies the RF coil deicing concept developed by Notre Dame to the development of a transit vehicle mounted third rail deicer. The RF coil has the potential for providing full system third rail deicing without the need for continual third rail heating and with a minimum of ice scraping thus reducing power costs and third rail wear. The contemplated system is shown in the following sketch:



AUTOMATED RF COIL THIRD RAIL DEICER SYSTEM

The RF coil deicer is operated automatically through a micro-computer controller monitored by the train operator and the systems central control. The controller receives a number of inputs from environmental and system performance subsystems to activate and control the RF coil and scraper function and to deactivate the system when no longer needed. The "automation" will also use the "Backyard Weather Station" technology discussed previously. The RF coil deicer system will be developed in accordance with the following plan:

	Tasks			
RF Coil Third Rail Deicer Subsystems	* • Analyses • Design • Element Tests • Subsystem Fab • Laboratory Tests	** Engr Test Model • System Integration • RF Coil Performance • EMI Investigation	** Automated Test Sys • System Integration • System Performance • EMI Investigation	*** Automated Prototype Sys • System Integration • Performance Test • Operational Evaluation
Improved RF Coil	X	X	X	X
Existing RF Generator	X	X		
Compact RF Generator	X		X	X
Ice Formation Precursor	X	X	X	X
Local Weather Station	X	X	X	X
Test Controller	X	X		
Prototype Controller	X		X	X
Test Console	X	X		
Prototype Console	X		X	X
Third Rail Tracking	X	X	X	X
EMI & Safety Tests	X	X	X	

* — Element Tests — Notre Dame And ECA Laboratories
Vought Rotating Drum Facility

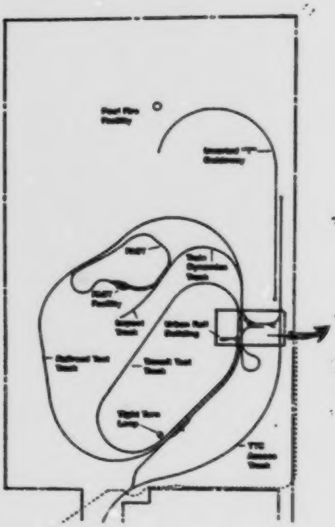
** — Engineering Test, Model And Automated Test System — TTC @ Pueblo, CO.

*** — Automated Prototype System — MBTA Test Track @ Boston, MA.

RF COIL THIRD RAIL DEICER SYSTEM DEVELOPMENT PLAN

This rather complicated chart depicts the structured engineering development of subsystems into a test model and then into a deployable prototype system. Full utilization of existing test facilities and in particular DOT's Transportation Test Center (TTC) near Pueblo, Colorado will be used for most of the operational testing included in the continuation program

The use of this existing Governmental test facility, shown in the following sketch, allows the economic use of the transit test vehicles, equipment, instrumentation and technical expertise resident at TTC.

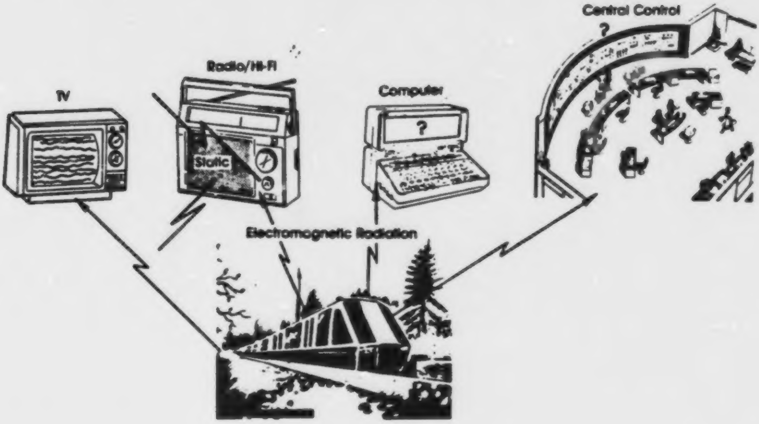


TTC Administration – Laboratory Area

U.S. DEPARTMENT OF TRANSPORTATION
TRANSPORTATION TEST CENTER
PUEBLO, COLORADO

ELECTROMAGNETIC INTERFERENCE INVESTIGATION

In performing the research associated with the development of the RF coil third rail deicing concept, it was learned that Electromagnetic interference, EMI, from other power conversion electronic sources such as DC chopper control devices, is becoming a concern to the transit industry as more sophisticated electronics are being used in transit systems and by the neighbors of transit systems.



EMI INVESTIGATION

The primary problem associated with EMI is the disruption it causes in transit system command, control and communication systems and in neighboring radio, television and computer equipment.

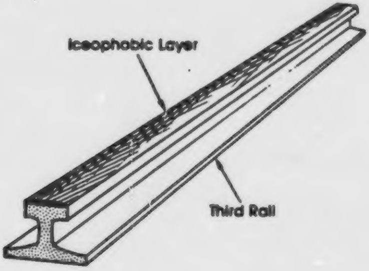
Because of the wide spread interest in EMI, an investigation will be undertaken to define the problem and to develop solutions, if necessary, for the RF coil third rail deicer system development and for use by transit system designers, planners and operators in the future deployment of electronic equipment

The EMI investigation task will be undertaken by Notre Dame and ElectroCom as a joint task in close cooperation with the Transportation Systems Center, Cambridge, MA. The test work of this task will be accomplished in conjunction with RF coil deicer development testing using the RF coil as the EMI emitter.

The final product of this work will be the establishment of EMI limit standards for the design, operation and deployment of high power electronic equipment by railroads and transit systems.

ICEOPHOBIC MATERIAL TECHNOLOGY DEVELOPMENT

The continuation of the iceophobic material research project will analyze different composite systems to assess their wear behavior. This will be done in conjunction with detailed studies of surface chemistry, ice bond strength and electrical contact resistance with the ultimate objective of applying this concept to the surface of a transit system third rail as shown in the following sketch:



ICEOPHOBIC THIRD RAIL DEVELOPMENT

The implementation of this task will be accomplished as a joint Notre Dame/ElectroCom project through element testing of candidate materials to assess the practicality of the concept and to assure that these materials can be integrated into a transit system environment without creating hazards or interference with normal system operations. Element testing will be followed by an operational test of a third rail test section on a northern transit system.

Successful demonstration of this concept would provide a breakthrough in the battle against ice and snow. Practical iceophobic surfaces could be applied to vulnerable components to make them resistant to ice and snow and eliminate the need for energy intensive deicing.

CATENARY POWER DISTRIBUTION SYSTEM WINTERIZATION

The Catenary (overhead wire) Power Distribution winterization task is a new area investigation that was included in the program continuation in response to a request from the transit industry. A typical system is shown below:

There are several known problems associated with catenary systems that are related to deicing and cold weather. These include:

1) Faulty power transmission,
2) Wire breakage due to icing,
3) Wire wear and damage due to ice scraping,
4) Wire tension changes due to weather changes, and
5) Poor slider wear life.

The continued program will investigate and quantify the above problems and develop solutions for improving the maintenance of catenary systems. The detailed tasks that will be implemented to accomplish this are shown in the following complex chart:

	Tasks			
Areas Of Investigation	Transit/Railroad Property Survey	Investigation Of Problems Associated With Existing Systems	Improvement For Development Existing Systems	Development Of New Countermeasures
Subsystem And Component Problems	• Obtain Subsystem And Component Failure Samples For Investigation • Identification Of Vulnerable Subsystems And Components	• Subsystem, Component And Element Failure Analyses • Vendor Contact • Environmental Testing	• Design, Fabrication Of Winterization Modifications • Laboratory Environmental Testing • System Operational Testing	*• Design, Fabrication And Operational Testing *• Laboratory Environmental Testing • System Operational Testing
Deicing Problems	Determine Nature And Extent Of Problems	• Engineering Analyses • Element Testing • Vendor Contact • Environmental Testing	As Above	As In (*) Above For • Onboard System • Wayside System
Collector And Power Wire Wear Problems	As Above	As Above	As Above	As In (*) Above For • New Collector Design • New Wire Design • Automated Wear Measurement System
Power Wire Tensioning Problems	As Above	As Above	As Above	As In (*) Above For An Automated Power Wire Tensioning System

Simply stated, this work will include the development of:

1) Hardware and methods for preventing or removing ice from catenary wires.

2) Methods for determining wire wear and evaluating prototype wear measurement concepts.

3) Methods for achieving and maintaining proper wire tension.

4) Alternate slider configurations and materials to achieve improved service life of the sliders while maintaining the service life of the wire.

The completion of the catenary winterization research will provide relief, technical assistance and solutions for existing catenary problems and will also add to the technology for the future expansion of railroad electrification which will be required by the inevitable higher costs, and the final unavailability of, oil.

The complex charts of this testimony were included to present you examples of of ElectroCom Automation's extensive and comprehensive planning for continuing the Cold Weather Transit Technology Program and to demonstrate our preparedness to implement this work.

ElectroCom Automation firmly supports Notre Dame in responding to this Subcommittees previous directives in regard to continuing the development of Cold Weather Transit Technology. We have the people, engineering, manufacturing and testing experience to turn Notre Dame's research into hardware solutions for existing real world problems.

"COLD WEATHER TRANSIT TECHNOLOGY PROGRAM"
SUPPORTING STATEMENT

Before the
Subcommittee on Transportation
and Related Agencies

Chaired by

The Honorable Mark Andrews, Majority
The Honorable Lawton Chiles, Minority

of the

U.S. Senate Appropriations Committee

by

Keith Kahle
Advisor to the President

for

Robert S. Buzard
President and CEO
ElectroCom Automation Inc.

May 1, 1985

Mr. Chairman, my testimony today is in support of Dr. Berry's request for appropriations for the reinstitution of the Cold Weather Transit Technology Program.

ElectroCom Automation concurs with, and supports, the University of Notre Dame in recommending that the Cold Weather Transit Technology Program be given an immediate restart through the issuance of interim funding. Assuming, as in the past, the Committee and conferees vote to continue this worthwhile program, it is respectfully requested that this action be inserted as a "line item" in the 1986 UMTA R&D section of the Department of Transportation and Related Agencies Appropriations Bill. This prompt action is encouraged to get a good program going again, and to allow procurement of hardware for testing during the 1985-1986 winter period. Otherwise, due to agency inaction, this program will die on the vine. As such--specific direction by "line item" is deemed necessary.

Dr. Berry has presented the history and accomplishments of the program, and has outlined the projects to be undertaken in the proposed program continuation in support of his request.

I will support that testimony by briefly describing the benefits that would be derived by the completion of the engineering application tasks ElectroCom Automation would be responsible for in the proposed program continuation. These are:

1) The demonstration of a fully automated, vehicle mounted RF COIL THIRD RAIL DEICER SYSTEM. This system would provide an energy efficient method of removing ice from transit system third rails. It would replace many miles of expensive third rail heaters and would eliminate excessive wear and damage to third rails caused by currently used steel ice scrapers.
2) An investigation of the cause and affects of ELECTROMAGNETIC INTERFERENCE that will define the problems and find the solutions, if necessary, for the RF Coil deicer and for use by transit systems contemplating the deployment of new electronic power conversion equipment. The primary benefit that would be derived from this work is the development of technology for protecting transit system command, control and communications equipment and in neighboring radio, television and computer equipment from disruptions caused by Electromagnetic interference.
3) The development and evaluation of practical ICEOPHOBIC MATERIALS for use in railroad and transit system ice control and snow removal applications. A success here would provide a breakthrough in combatting ice and snow as it would create a non-energy using deicing countermeasure. Transit system components, now vulnerable to ice and snow, could be made to have surfaces that are ice and snow resistant.

4) The establishment of basic criteria for the design and specification of efficient and reliable TRACK SWITCH DEICING SYSTEMS through extensive hardware testing of state-of-the-art, improved existing and automated systems across the Northern United States. The installation and use of the resulting improvements and new energy efficient deicer systems on the thousands of track switches which provide the vital connections for our railroad and transit system networks would result in increased reliability and safety for passenger and freight transportation at an affordable cost.

5) The quantification and solution development for the cold weather problems of CATENARY POWER DISTRIBUTION SYSTEMS will provide relief, technical assistance and solutions for the wear, breakage and maintenance problems for railroads and transit systems using overhead electrical power systems. The results of this work will also provide needed technology for the required future expansion of railroad electrification caused by the inevitability of high cost oil or its absence.

ElectroCom Automation firmly supports Notre Dame in response to this Subcommittee's previous directives in regard to continuing the development of Cold Weather Transit Technology. We have the people, engineering, manufacturing and testing experience to turn Notre Dame's research into hardware solutions for existing real world problems faced by the Nation's railroad and transit systems each winter.

Mr. Lehman. We have a vote now, but we want to thank you for being with us, and we will continue to support your project and work together.

We will adjourn until tomorrow at 10:00.

WEDNESDAY, APRIL 23, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESSES

HON. WYCHE FOWLER, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA

KEN GREGOR, GENERAL MANAGER, METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

Mr. LEHMAN. The Committee will come to order.

In accordance with the rules of the House of Representatives and the Committee on Appropriations, without objection, we will permit television and broadcasting coverage and photographing of today's hearing.

This morning we will resume testimony on the fiscal year 1987 budget request for the Department of Transportation and Related Agencies.

This is the second of two days of testimony from Members of Congress and interested outside organizations and individuals.

We have a large number of witnesses. In order that we may be as fair to the last witness as we are to the first, we would ask each of you to limit your remarks to ten minutes.

Our first witness this morning will be Congressman Wyche Fowler of Georgia.

It is a privilege to have you here.

Mr. FOWLER. Good morning, Mr. Chairman. I will be brief and ask unanimous consent that my prepared statement be printed in the record.

Mr. Chairman, Thank you and the committee, not only for letting me make a brief case annually on behalf of D-Atlanta MARTA's system, but also for the consistency of the funding from this committee to help us in Atlanta complete our system.

We are extraordinarily proud of the work that has been done by the MARTA board and home team.

It is consistently on time. It is consistently under budget. Last year we had a 15 percent increase in ridership, and remained $150 million under the budget.

The main reason for that is, as you know, the broad base of community support the project has received, support which cross all levels of government—Federal, State and local.

In this day of trying to find a pay-as-you-go system we are proud to have taken the lead nationally in taxing ourselves by approving, back in 1971, a sales tax dedicated one-half to operating costs and one-half to capital expenditures.

We are now on the last leg of construction trying to complete the north-south portion of the line. This line will run from a bedroom community in the north called Doraville, to Hartsfield International Airport, the busiest airport in the world, on the south.

We are trying to extend that portion of the line to the airport by June of 1988, and to complete the entire system by 1989.

We can do it with the continued help of this committee. We have taken our share, as you know, of Gramm-Rudman's first cuts, and I will say, as a public official representing the State of Georgia, that I fully expect MARTA to share their fair portion of any future Gramm-Rudman or any similar across-the-board cutbacks that the Congress may adopt.

But we are asking for $118 million for Fiscal Year 1987, which will enable us to complete the system.

In the last several years, we have not gotten as much as we have asked for. But we have been able, as I said, under budget even on that schedule.

Now, though, as we try to complete our system, we have got to decide whether we should take on extra debt, which is not advisable, or should wait on Federal Government financing.

In other words, we need your commitment to stay on time, stay on schedule, and stay under budget. With your help, there is no question about our ability to complete the total system while spurring an economic boom and creating job opportunities.

I could say a lot more, but in the interest of time I won't.

You know the situation, Mr. Chairman. You and the committee have been generous enough with your time to come down and look at our system, and this funding will enable us to complete it.

Mr. **Lehman**. You have another witness you would like to present at this time who has a statement to make.

Mr. **Fowler**. This is General Manager Ken Gregor.

Mr. **Gregor**. No, I think Congressman Fowler has said it very well.

Mr. **Lehman**. I think he did a fine job. I think you are both aware of the extent of the Gramm-Rudman legislation and how it puts us in a much more difficult position in the forthcoming years.

We do the best we can, and certainly the source of dedicated local revenues puts Atlanta in a more favored position than some of the other properties.

Mr. **Fowler**. In Fiscal Year 1986 the committee earmarked $69 million, which was reduced to $66 million by Gramm-Rudman. We would ask that you earmark $118 million in Fiscal Year 1987 for the project. Whatever the proportion of Gramm-Rudman, we would certainly live by it smilingly through our tears.

Mr. **Lehman**. We will try.

[The prepared statement of Hon. Wyche Fowler, Jr., follows:]

Testimony of Representative Wyche Fowler, Jr. (D-GA)

Mr. Chairman and distinguished members of the subcommittee, I appreciate very much this opportunity to speak with you for a few moments about one of the most important projects in my district which receives federal funds, the Metropolitan Atlanta Rapid Transit Authority's (MARTA) rapid rail transit system.

Like you, I am deeply aware of the need to contain federal expenditures and reduce the federal budget deficit. However, I believe that MARTA's rapid rail program is the very kind of program we need to encourage if we are to promote growth and thus reduce deficits. Since construction began in 1975, MARTA has proven itself efficient, cost effective and a boon to the metropolitan community.

A year ago, when I last appeared before you on behalf of MARTA, the transit authority had just opened 9 miles of new lines and 5 new stations on schedule and $150 million under budget. This is just one of the many instances of excellent MARTA management. Within the last year rail ridership has reached 180,000 passengers per day, a 15% increase, and when the North-South line is completed is expected to reach 230-250,000 passengers per day.

One reason MARTA has been so efficient and effective is the broad base of local and community support the system enjoys. I believe MARTA can serve as a model for the nation in this respect, for the bulk of financial responsibility for the system has been shouldered locally. MARTA was born, you may remember, with the approval by referendum of a special sales-tax dedicated one-half to operating costs and one-half to capital expenditures. If MARTA's request for federal funding assistance is granted, MARTA and local sources of revenue will bear 57% of the cost, leaving a federal share of only 43%. This is far above the 30% local-70% federal split which is standard in these projects.

The system has already returned a high value on this investment to the business community and the region's citizens. MARTA construction has stimulated private investment and development, helped bring major corporations to our downtown area, and created many new job opportunities. It has also dramatically increased the access of many Atlantans to jobs in other parts of the metropolitan area.

In terms of MARTA's effects on the business community, I would also like to note that minority businesses have received more than 20% of the contracts awarded. These contracts have been in significant areas such as transit vehicles, communications and signaling equipment. About 35% of the architectural designs have been awarded to minority firms. It is widely acknowledged that MARTA has been an important factor in the development of minority businesses and professionals in the Atlanta area.

I want to emphasize that the most difficult parts of the construction are behind us and what remains to be built are the most cost-effective portions of the system. All of the inconvenient downtown construction and tunneling is complete and the system is working extremely well in serving the downtown area and linking residential areas on the east and west to jobs in the central city. Moreover, it has reduced automobile traffic flowing from east and west into the city by fully 10%, an important accomplishment in a region which is still enjoying dramatic growth and whose urban highways are becoming congested.

MARTA's primary goal at this time is to complete construction of the North-South line by late 1989, and to reach the airport by June of 1988. Although I have already mentioned MARTA's numerous successes in building a very ambitious system on schedule and under budget, I must add that the completion of the North-South line promises to be the single most cost effective portion of the entire rail line. Extension of existing lines to Doraville in the North and Hartsfield International Airport in the South will significantly boost ridership. Furthermore, it will connect Atlanta's central business district and the residential areas served by the rapid transit system with over 35,000 jobs in the Airport area and over 200,000 jobs in the North-East sector. As I'm sure you know, Hartsfield International Airport is the busiest airport in the world and is continuing to grow. Completion of the line to the airport offers travellers the convenience of immediate access to the city center and to the North-East section of the metropolitan area, the fastest growing area in the region in terms of jobs.

When MARTA management appeared before the Congress three years ago, they announced an ambitious plan to complete the North-South line by 1988. Construction of this line was and continues to be important in order to maximize the benefits of the investment already made in the initial phase of the system's development.

Three years ago MARTA requested approximately $117 million in federal money per year for four years to complete this project.

MARTA received $91.250 million in FY 84, $95 million in FY 85, and the Committee earmarked $69 million in FY 86 (reduced to $66 million by Gramm-Rudman-Hollings). Although not quite the amount originally requested, MARTA has been able to stay on schedule because of excellent management on the part of MARTA and through the increased local responsibility to which I referred earlier. To complete the North-South line, MARTA will supply $320 million in local funds from sales tax revenues and additional bond sales. We are asking $118 million in UMTA discretionary funds for FY 87. I believe the program has amply shown its commitment to local financing and fully deserves the final $118 million necessary to complete the system. As we review federal expenditures, very few projects can show such positive results and with so little waste or delay.

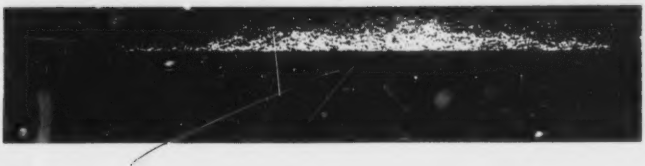
Because of its importance, construction on the remaining portions of the North-South line is already going ahead. The MARTA Board plans to open another station in 1986, one in 1987, two in 1988 (including the Hartsfield International Airport station), and the final station on the line in 1989. To maintain this schedule MARTA is entering into new contract obligations on a monthly basis, thus decreasing the number of projects eligible for federal reimbursement. This is happening chiefly because of the need to stay on schedule. Without an early commitment by Congress for federal funding, MARTA is left with a difficult choice. MARTA can either continue on schedule and forfeit an increasing number of federal reimbursements, or the MARTA board can stop the project to await the decision of Congress. MARTA must thus either continue work and assume more debt than is prudent for the Board to carry, or risk disbanding the excellent team of contractors and engineers who have been so successful in keeping MARTA on schedule and eventually resume work under higher contract fees.

Mr. Chairman, members of the Committee, you have been very supportive of MARTA in the past. I believe the investment is already paying off richly for the taxpayers. Moreover, I believe the MARTA system can meet anyone's standards for efficiency, productivity and local support for a federally funded project. I urge you to approve as soon as possible MARTA's request for an additional $118 million in FY 87.

In the interest of time, I will leave with you MARTA's most recent update on the status of the North-South line which can furnish you with much additional information. I hope you will contact me if there is any other information I can provide you with on the MARTA rapid rail system.

Thank you.

marta



MARTA's NORTH-SOUTH LINE
AIRPORT TO DORAVILLE

March 1986

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
2200 Peachtree Summit
401 West Peachtree Street, N.E.
Atlanta, Georgia 30365-4301

EXECUTIVE SUMMARY

A. System Development

The 53-mile MARTA Rail System is divided into five phases. Phases A and B plus Brookhaven Station, consisting of 25 miles of track and 25 stations, are in service (see map). The Urban Mass Transportation Administration (UMTA) has contributed $1.2 billion or 71% towards the $1.8 billion cost.

Phase C, which runs from Lenox to Doraville on the North Line and Lakewood to the Airport on the South Line, consists of 12 miles of track and 6 stations.

- The Brookhaven segment, built entirely with local funds, is already in service.
- Construction is under way on the following segments with opening dates shown:

East Point	August	1986
Chamblee	December	1987
College Park/Airport	June	1988

No federal Section 3 funds have been used to date on these segments, although MARTA has requested approximately $184 million in federal funds.

- Design work for the Doraville segment is in progress.

Phases D and E comprise 18 miles and 10 stations and will be constructed after Phase C along with two busways.

B. Benefits of System Expansion

The extensions of the North-South Line constitute the most cost-effective segments of the MARTA Rail System.

Ridership

The North-South Line was extended by nine miles and five stations in December 1984. The results have been dramatic:

- Rail/bus system patronage increased by 15% to a record 75 million annual trips.
- Daily ridership increased by 33,000 which means fewer cars using congested highways.
- Daily ridership on the existing rail system is approximately 180,000. When the Doraville to Airport segment is completed, rail ridership will reach 230-250,000 daily passengers.
- MARTA's rail ridership compares favorably with other rapid transit systems: on a per station basis, MARTA's ridership exceeds all U.S. systems except New York.

Operating Cost - MARTA has now reached the point where it is significantly cheaper to transport a boarding passenger by rail than by bus: 55¢ vs. 86¢. Also, MARTA's total cost per linked trip is now $1.57--less than it was four years ago in spite of inflation. As the North-South Line is extended, further productivity increases will be achieved.

Travel Time - As the North-South Line is extended, significant additional travel time benefits accrue to MARTA riders. A trip from Oakland City to Lenox Square takes 19 minutes; the comparable bus trip took about 55 minutes. The Airport Station will be only 15 minutes from downtown.

Phase C Extension - The extension to the Airport will be the most cost-effective segment of the system, serving the busiest airport in the world. It will provide the best downtown-to-airport connection of any American city. In addition to serving air passengers, it will link central city residential areas to the 35,000 jobs at the Airport.

On the north, Phase C is anchored by the Doraville Station which is located in one of the fastest growing and most congested sectors in the Atlanta area. The sector including Doraville experienced growth in jobs of 80,000 between 1970 and 1980; MARTA will make these jobs more accessible to central city residents.

C. Local Financial Commitment: 57% Local; 43% Federal

In 1971 when the voters approved the 1% MARTA tax, a comprehensive public transportation improvement program was also approved, including short-range improvements for the bus system, as well as the construction of the rapid transit system. Approximately 50% of the sales tax revenue is used for MARTA's capital programs, while the other 50%, along with operating revenues, is used to provide a stable and dependable funding source for MARTA's operations.

MARTA has used the local sales tax to provide much of the funding for extension of the North-South Line. MARTA's share of the cost of the extensions beyond Arts Center and West End is projected to be $630 million, or 57% - much higher than the required 25%.

FY87 FEDERAL FUNDING REQUIREMENT

- $534 million is needed to complete the North-South Line.
- MARTA currently expects to receive approximately $96 million of this amount in Fiscal Year 1986 Section 3 funds already appropriated and from Section 9 formula funds (FY86 and FY87).
- MARTA will provide $320 million in local funds from sales tax revenues and additional bond sales.
- AN ADDITIONAL $118 MILLION IS NEEDED IN FY87 UMTA DISCRETIONARY (SECTION 3) FUNDS TO COMPLETE THE NORTH-SOUTH LINE.

MARTA's NORTH-SOUTH LINE-AIRPORT TO DORAVILLE

GOAL

MARTA's near term goal is to complete the North-South Line from the Hartsfield Atlanta International Airport to Doraville in the 1988-1990 time frame, thus placing in service over 23 miles of high-speed rail transit and 18 stations in one of the most heavily travelled corridors in metropolitan Atlanta. Completion of the North-South Line will link three of the major employment centers in this region: the North-Northeast Sector, with 157,000 jobs; the Central Business District with 95,000 jobs, and the Airport area with more than 35,000 jobs. Rail ridership will increase from the current 180,000 per day to an estimated 230-250,000 per day.

FY87 FEDERAL FUNDING REQUIREMENT

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- MARTA currently expects to receive approximately $96 million of this amount in federal funds: $66 million in Fiscal Year 1986 Section 3 funds already appropriated, and $30 million from Section 9 formula funds (FY86 and FY87).
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- Design work for the Doraville segment is in progress, with completion forecast for 1989 or 1990.

Phases D and E comprise 18 miles and 10 stations and will be constructed after Phase C along with two busways.

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Travel Time - As the North-South Line is extended, significant additional travel time benefits accrue to MARTA riders. A trip from Oakland City to Lenox Square now takes 19 minutes; the comparable bus trip took about 55 minutes. The Airport Station will be only 15 minutes from downtown.

Development - The MARTA System has already stimulated a building boom around many stations. Georgia Pacific and Southern Bell have built 50-story office buildings adjacent to the Peachtree Center and North Avenue Stations. IBM is building a 50-story tower on land leased from MARTA at Arts Center Station. Several major office and hotel projects are underway at Lenox Station.

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MARTA has used the local sales tax to provide much of the funding for extension of the North-South Line. MARTA's share of the cost of the extensions beyond Arts Center and West End is projected to be $630 million, or 57% of the total; this is much higher than the required 25% local share.

D. Governmental and Community Support

Local

MARTA enjoys the support of local governmental and civic leaders, business leaders, the media and the general public. An indication of the intensity of this support was exhibited during President Reagan's visit to Atlanta in 1984 at which time the President of the Atlanta Chamber of Commerce singled out the completion of the MARTA System as the most critical local need.

State

The Georgia General Assembly continues to pass legislation to assist MARTA in cost-control measures and in financing the rail construction program. The Legislature in 1983 extended the MARTA sales tax at a full 1% until 2012. In its 1986 session, the Legislature amended the state MARTA Act to insure MARTA's continued eligibility to receive federal funds. A 1985 federal court ruling had denied future funding until the Act complied with Section 13 (c) of the UMTA Act. The amended Act meticulously followed the Court's guidance toward compliance such that the amendments were sufficient for recertification.

In addition, the State Department of Transportation and MARTA cooperate and share expenses when highway and transit projects interface in the same corridor.

Congressional Support

There continues to be strong bi-partisan support for the MARTA project in the Georgia Congressional Delegation.

E. Private Sector Support

Private sector support for MARTA's transit program has focused primarily on three areas:

* Public/private joint financing of feasibility studies aimed at producing action plans for revitalizing and strengthening areas surrounding transit station.

* Coordination and cost-sharing of joint development projects such as the construction of the 1.9 million square foot Southern Bell Telephone Company headquarters building in the North Avenue Station air rights (the station and the office building, along with an adjacent retail mall, were built simultaneously on a site that was acquired jointly).

* Leasing of station area property rights to generate income for transit; MARTA has executed two major long-term lease transactions at the Arts Center and Lenox Stations in which MARTA receives approximately $500,000 annually for each transaction.

F. Participation of Disadvantaged and Minority Businesses

Minority firms and female firms have received almost $224 million in total contracts from MARTA. This amounts to 20% minority and 5% female participation.

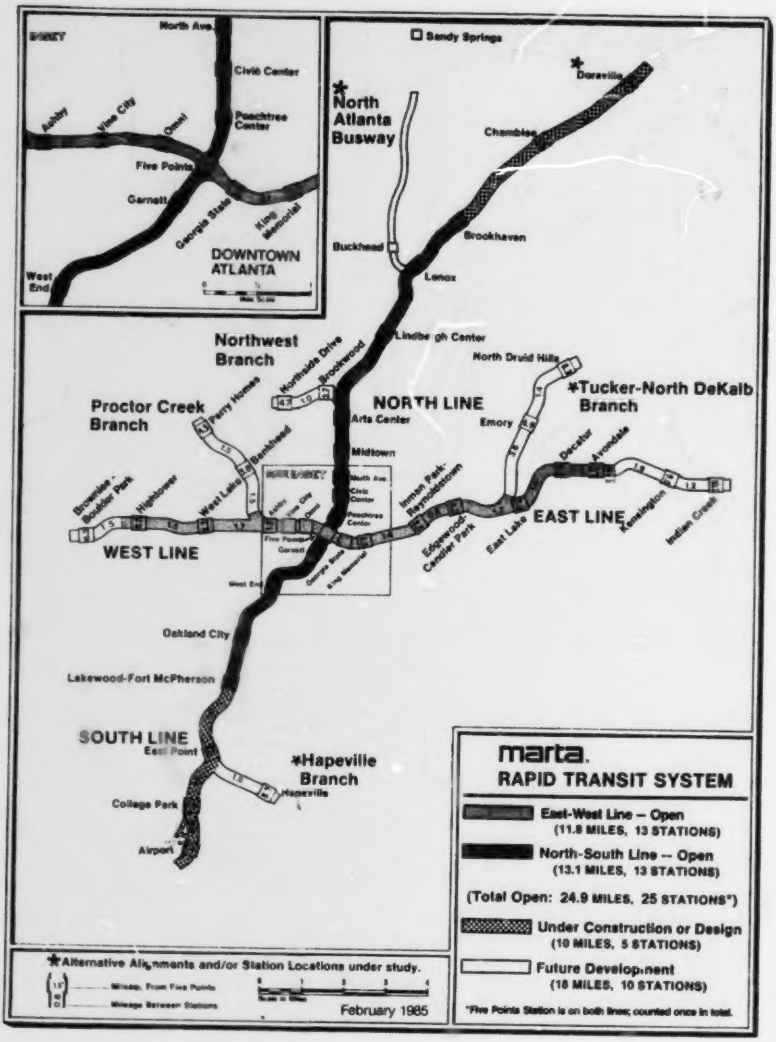
NORTH/SOUTH LINE

FEDERAL FUNDING REQUIREMENT

Cost-to-complete	$534	Million
Local Funding	-320	Million
Required Federal Funding	214	Million
Anticipated Sec. 9 Funding (FY86-FY87)	- 30	Million
Anticipated Sec. 3 Funding (FY86)	- 66	Million
Additional Sec. 3 Funds Required (FY87)	$118	Million

Final UMTA/MARTA Matching Share: 43% UMTA
57% MARTA

March 25, 1986


North Ave.
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Peachtree Center
Ashby
Vine City
Omni
Five Points
Garnett
Georgia State
King Memorial
West End
DOWNTOWN ATLANTA
Sandy Springs
North Atlanta Busway
Doraville
Chamblee
Brookhaven
Buckhead
Lenox
Lindbergh Center
North Druid Hills
Tucker-North DeKalb Branch
Northwest Branch
Northside Drive
Brookwood
Proctor Creek Branch
Perry Homes
Bankhead
NORTH LINE
Arts Center
Emory
Midtown
Decatur
Avondale
Bowden-Boulder Park
Hightower
West Lake
Inman Park-Reynoldstown
Edgewood-Candler Park
East Lake
EAST LINE
Kensington
Indian Creek
WEST LINE
Oakland City
Lakewood-Fort McPherson
SOUTH LINE
East Point
Hapeville Branch
Hapeville
College Park
Airport
marta.
RAPID TRANSIT SYSTEM
East-West Line -- Open (11.8 MILES, 13 STATIONS)
North-South Line -- Open (13.1 MILES, 13 STATIONS)
(Total Open: 24.9 MILES, 25 STATIONS*)
Under Construction or Design (10 MILES, 5 STATIONS)
Future Development (18 MILES, 10 STATIONS)
*Five Points Station is on both lines; counted once in total.
*Alternative Alignments and/or Station Locations under study.
Mileage, From Five Points
Mileage Between Stations
Scale in Miles
February 1985

Wednesday, April 23, 1986.

FEDERAL AVIATION ADMINISTRATION

WITNESS

BRUCE B. HENRY, PRESIDENT, NATIONAL ASSOCIATION OF AIR TRAFFIC SPECIALISTS

Mr. Lehman. The National Association of Air Traffic Specialists.

Mr. Henry. Good morning, Mr. Chairman, Members of the Subcommittee. I am grateful that you have provided me with the opportunity to appear before you and to express my thoughts and opinions relative to the 1987 budget requests of the Federal Aviation Administration.

The Flight Service System is an integral part of the Air Traffic Control System, and there are approximately 300 flight service stations throughout the United States.

The personnel who staff the Air Traffic Control System are designated by the Office of Personnel Management as Series 2152 and are called Air Traffic Control Specialists.

This category is the least understood of all the categories because of the lack of term standardization and the widespread use of colloquialisms.

FAA, and others as well, confuse the issue by referring to this category as Flight Service Specialists, Specialists, Flight Service Station Specialists, Station Specialists, Station Personnel, Station Controllers and Controllers.

It is so confusing that uninformed persons sometimes infer that these are the personnel who fuel and maintain aircraft. For NAATS, this is an overwhelming educational burden.

The other two categories are: Air Traffic Control Specialists (Terminal) and Air Traffic Control Specialists (Center).

This Association is designated by the Secretary of Labor as the exclusive representative of all the bargaining unit members who are Air Traffic Control Specialists (Station) Series 2152.

Personnel in all three categories are frequently called "Controllers" by FAA and others, as well, and one might infer that they actually control aircraft in the ordinary sense of the word "control".

Federal Aviation Administration Regulation 91.3(a) clearly states, "The pilot in command of an aircraft is directly responsible for, and is the final authority as to the operation of that aircraft."

We understand that the President has requested 3,855 positions for the Flight Service System in fiscal year 1987.

This is a decrease of 748 positions from the fiscal year 1986 level of 4,603 positions, and represents a drastic cut of about 17 percent.

If this should become law before the last "snapshot" under Gramm-Rudman-Hollings, it would result in an even greater reduction.

Since 40 percent to 50 percent of all aviation accidents are weather related, it appears to us that there should be more regard for aviation safety.

On February 3rd, when Admiral Engen was asked (Senate Subcommittee on Aviation) about the impact of a 15 to 20 percent reduction in FAA's budget after 1986, he responded, "I can visualize no reasonable way in which the FAA could absorb that kind of a reduction overall without serious deterioration of the current levels of safety service we provide."

And further: "In short, Madam Chairman, FAA operations resources are currently at levels close to the margin this year. There is virtually no flexibility left for us to deal with additional reductions in program levels without significant impact."

We agree with the Administrator's statement of the situation. We also believe that his statement firmly sets the minimum bareboned personnel requirement for the Flight Service System at the fiscal year 1986 level of 4,063 positions.

With the consolidation program on the verge of implementation; with the installation of Model I equipment; with the relocation of hundreds of employees and their families; and with a vast retraining program; we fail to see how the FAA can possibly comply with the provisions of 49 USC 2224, which requires "as good as or better than the service provided when the station was open . . ."

We would be comfortable with 3,855 positions if the positions were filled with full-performance-level (FPL) journeymen.

Unfortunately, included in this number are facility chiefs, deputy facility chiefs, developmentals, clerical workers, and training assistants along with the FPL journeymen.

We would appreciate personnel strengths in the bill being designated as fiscal year-end strength or average fiscal year strengths in order to establish a firm base upon which comparisons could be made.

Additionally, a listing of the skills requested in the Justifications for each personnel community would provide a better insight as to how manpower is being utilized.

We are pleased to note that the FAA is requesting $55,516,000 to fund the Facility and Equipment Account for fiscal year 1987.

This compares to a request of zero dollars in fiscal year 1986. We are hopeful that the 1987 funds are sufficient to maintain the Flight Service System on a strong and viable basis with continued improvement.

We know that the FAA is undertaking many actions to meet their required 4.3 percent reduction for fiscal year 1986.

While these actions are achieving significant results, we fear that they eventually will have to turn to the reduction of personnel costs, which amount to 75 percent of the FAA's operations appropriation.

FAA's daily payroll outlay is about $6.7 million. Our solution and recommendation is to furlough all FAA employees in a staggered manner for enough days to make up the shortfall.

This would be fairer to all employees and would distribute the burden on an equitable basis.

It is patently unfair to single out certain groups to bear this burden, as was the plan under a previous administration when furloughs were considered.

Mr. Chairman, we appreciate this Committee's action in requesting the General Accounting Office to conduct an extensive study of the air traffic control work force (GAO/RCED 86-121 of March 1986).

We regret that the General Accounting Office failed to address the Flight Service System work force, but, nevertheless, we found information in the study which must be highlighted.

On page 20 of Appendix I, witness McClure stated: "We also asked controllers about two air traffic control additional services which can have a bearing on safety and which they provide pilots when they have time—responding to pilots' requests for traffic advisories and weather advisories."

"Even though a quarter of the controllers said they seldom, if ever, declined requests for traffic advisories, another third said they often did. About half said they seldom, if ever, declined weather advisory requests, but one in five said they often did."

"Air Traffic control additional services include various advisories that are provided to the extent possible contingent only upon the controllers capability to fit them into the performance of higher priority duties and on the basis of the limitations of the radar, volume of traffic, radio frequency congestion and controller workload. The controller has complete discretion in regards to providing these services."

Again, on page 101 of Appendix III, witness McClure cited the same footnote but changed the statistics for a different situation:

"Over 40 percent said they seldom, if ever, decline weather advisory requests, but one in four said they often do."

Mr. Chairman and Members, we do not believe that aviation safety is a part-time job, and we do not believe that any FAA safety employee on the ground should have the option of denying, for any reason, a request for essential safety information to a pilot in command, regardless of any other assigned duties.

Since 20 to 25 percent of these terminal and center specialists admit to the denial of such requests from pilots in command we have on a routine basis, a major defect in the Air Traffic Control System.

This contributes, we believe, to the statistic that 40 to 50 percent of all aviation accidents are weather-related.

Providing essential elements of safety information to the pilot in command on an "if-you-have-time basis" is dangerous and has no place in any safety organization.

Our own solution would be the integration of Flight Service into the system with its approximately 3,300 full-performance level journeymen who are trained in weather interpretation and distribution, and are not burdened with conflicts of interest.

In order to provide a comparison of safety performance, the following chart provides information relative to flight assists or "saves" by Air Traffic Control Specialists over a time span of five years.

Please note that percentages for Flight Service are very high when one considers that the system is only endowed with one-fifth of the total controller work force.

I will submit that for the record, if it is all right.

During the past 18 months, there has been a great deal of talk and rumor relating to the privatization of the Flight Service System.

During that time, the FAA contracted for a study on the subject which has now been completed.

It is entitled, "Flight Service Station Privatization Study", dated June 1985.

It was prepared under contract for the FAA by Comsis Corporation, Gellman Research Associates, J. Tilghman Montgomery Associates, and EXP Associates.

Under the "Executive Summary", the safety impacts are quoted: "The safety impacts of FSS privatization are significant; there would be an increase in the number of fatal weather accidents (a weather accident is one where weather was cited as a cause or factor) resulting from reductions in the use of flight services if user fees were imposed and the discontinuation of in-flight service, including assistance to aircraft in distress, search and rescue activities, and en route flight advisory services (EFAS)."

"There would be no significant safety impacts under Configurations II and III. Under Configuration IV, there would be an increase in the number of fatal weather accidents due to the decreased use of flight services, resulting in an estimated 34 to 38 additional fatalities per year, with an annual economic loss of $23 million to $32 million."

"Under full privatization it was estimated that there would be an additional 203 to 212 fatalities per year, due to the decreased use of weather briefings and the elimination of search and rescue, assistance to aircraft in distress, and enroute light advisory service, with an annual economic loss of $141 million to $147 million."

"Also, there are significant legal questions about the FAA's ability to effect a complete withdrawal from the provision of some or all FSS services."

"Specifically it is not clear that the FAA's enabling legislation allows the Agency to divest itself of such responsibilities."

"Moreover, there are significant questions about the ability of private suppliers of FSS services to obtain insurance coverage for certain aspects of their potential liability."

"For example, there appears to be little likelihood that such protection can be obtained at an acceptable price for service provided through air-to-ground communications."

All things considered, some privatization is already underway with respect to weather briefings and flight planning. FAA should place no undue barriers before those who would supply FSS services on a user-fee basis."

"Full privatization is not feasible. Full privatization is not even desirable because the private sector is not likely to supply in-flight services on a for-profit basis at levels approaching the output of those services by FAA."

"Because privatization requires direct user payment for services, if private supply is the only source of such services, the safety of the aviation system will be materially degraded; this grows out of the fact that users' willingness (and ability) to pay is limited in both good and marginal weather."

"Were full privatization a practical possibility, the system would be less safe than at present. Any reduction or elimination of the availability of FSS services will adversely affect aviation safety."

We concur with the views of the study group and believe that safety information for pay would be a disaster to aviation safety.

Thank you, Mr. Chairman.

Mr. LEHMAN. Thank you very much for your testimony.

[The prepared statement of Mr. Bruce B. Henry follows:]

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STATEMENT
before the
SUBCOMMITTEE ON TRANSPORTATION
THE HONORABLE WILLIAM LEHMAN
CHAIRMAN

-

COMMITTEE
on
APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES
Ninety-ninth Congress

on

FISCAL YEAR 1987 BUDGET REQUESTS
DEPARTMENT OF TRANSPORTATION

by

BRUCE B. HENRY
PRESIDENT & EXECUTIVE DIRECTOR
NATIONAL ASSOCIATION OF AIR TRAFFIC SPECIALISTS

April 23, 1986

Mr. Chairman and distinguished members of this Subcommittee, I am grateful that you have provided me with the opportunity to appear before you and to express my thoughts and opinions relative to the 1987 Budget Requests of the Federal Aviation Administration.

The Flight Service System is an integral part of the Air Traffic Control System and there are approximately 300 flight service stations throughout the United States. The personnel who staff the Air Traffic Control System are designated by the Office of Personnel Management as Series 2152 and are called:

o Air Traffic Control Specialists (Station)

This category is the least understood of all the categories because of the lack of term standardization and the widespread use of colloquialisms. FAA, and others as well, confuse the issue by referring to this category as Flight Service Specialists, Specialists, Flight Service Station Specialists, Station Specialists, Station Personnel, Station Controllers and Controllers. It is so confusing that uninformed persons sometimes infer that these are the personnel who fuel and maintain aircraft. For NAATS, this is an overwhelming educational burden.

The other two categories are:

o Air Traffic Control Specialists (Terminal)

o Air Traffic Control Specialists (Center).

This Association is designated by the Secretary of Labor as the exclusive representative of all the bargaining unit members who are Air Traffic Control Specialists (Station) Series 2152.

Personnel in all three categories are frequently called "Controllers", by FAA and others as well, and one might infer that they actually control aircraft in the ordinary sense of the word "control". Federal Aviation Administration Regulation 91.3(a) clearly states, "The pilot in command of an aircraft is directly responsible for, and is the final authority as to the operation of that aircraft."

We understand that the President has requested 3,855 positions for the Flight Service System in FY 1987. This is a decrease of 748 positions from the FY 1986 level of 4,603 positions, and represents a drastic cut of about 17%! If this should become law before the last "snapshot" under Gramm-Rudman-Hollings, it would result in an even greater reduction.

Since 40% to 50% of all aviation accidents are weather related, it appears to us that there should be more regard for aviation safety. On February 3rd, when Admiral Engen was asked (Senate Subcommittee on Aviation) about the impact of a 15-20% reduction in FAA's budget after 1986, he responded:

> "I can visualize no reasonable way in which the FAA could absorb that kind of a reduction overall without serious deterioration of the current levels of safety services we provide."

and further:

> "In short, Madam Chairman, FAA operations resources are currently at levels close to the margin this year. There is virtually no flexibility left for us to deal with additional reductions in program levels without significant impact."

We agree with the Administrator's statement of the situation. We also believe that his statement firmly sets the minimum bare-boned personnel requirement for the Flight Service System at the FY 1986 level of 4,603 positions.

With the consolidation program on the verge of implementation; with the installation of Model I equipment; with the relocation of hundreds of employees and their families; and with a vast retraining program; we fail to see how the FAA can possibly comply with the provisions of 49 USC 2224, which requires "as good as or better than the service provided when the station was open. . .".

We would be comfortable with 3,855 positions if the positions were filled with full-performance-level (FPL) journeymen. Unfortunately, included in this number are facility chiefs, deputy facility chiefs, developmentals, clerical workers, and training assistants along with the FPL journeymen.

We would appreciate personnel strengths in the bill being designated as fiscal year-end strength or average fiscal year strengths in order to establish a firm base upon which comparisons could be made. Additionally, a listing of the skills requested in the Justifications for each personnel community would provide a better insight as to how manpower is being utilized.

We are pleased to note that the FAA is requesting $55,516,100 to fund the Facility and Equipment Account for Fiscal Year 1987. This compares to a request of zero dollars in Fiscal Year 1986. We are hopeful that the 1987 funds are sufficient to maintain the Flight Service System on a strong and viable basis with continued improvement.

We know that the FAA is undertaking many actions to meet their required 4.3% reduction for FY 1986. While these actions are achieving significant results, we fear that they eventually will have to turn to the reduction of personnel costs, which amount to 75% of the FAA's operations appropriation.

FAA's daily payroll outlay is about 6.7 million dollars. Our solution and recommendation is to furlough all FAA employees in a staggered manner for enough days to make up the shortfall. This would be fairer to all employees and would distribute the burden on an equitable basis.

It is patently unfair to single out certain groups to bear this burden as was the plan, under a previous Administrator, when furloughs were considered.

Mr. Chairman, we appreciate this Committee's action in requesting the General Accounting Office to conduct an extensive study of the air traffic control work force (GAO/RCED 86-121 of March, 1986). We regret that the General Accounting Office failed to address the Flight Service System work force but, nevertheless, we found information in the study which must be highlighted. On page 20 of Appendix I, witness McClure stated:

> "We also asked controllers about two air traffic control additional services[8] which can have a bearing on safety and which they provide pilots when they have time--responding to pilots' requests for traffic advisories and weather advisories. Even though a quarter of the controllers said they seldom, if ever, declined requests for traffic advisories, another third said they often did. About half said they seldom, if ever, declined weather advisory requests, but one in five said they often did.
>
> "[8]Air Traffic control additional services include various advisories that are provided to the extent possible contingent only upon the controllers capability to fit them into the performance of higher priority duties and on the basis of the limitations of the radar, volume of traffic, radio frequency congestion and controller workload. The controller has complete discretion in regards to providing these services."

Again, on page 101 of Appendix III, witness McClure cited the same footnote but changed the statistics for a different situation:

> "Over 40 percent said they seldom, if ever, decline weather advisory requests, but one in four said they often do."

Mr. Chairman and members, we do not believe that aviation safety is a part-time job and we do not believe that any FAA safety employee on the ground should have the option of denying, for any reason, a request for essential safety information to a pilot in command, regardless of any other assigned duties.

Since 20%-25% of these terminal and center specialists admit to the denial of such requests from pilots in command we have, on a routine basis, a major defect in the Air Traffic Control System! This contributes, we believe, to the statistic that 40%-50% of all aviation accidents are weather-related.

Providing essential elements of safety information to the pilot in command on an "if-you-have-time basis" is dangerous, and has no place in any safety organization.

Our own solution would be the integration of Flight Service into the system with its approximately 3,300 full-performance level journeymen who are trained in weather interpretation and distribution, and are not burdened with conflicts of interest.

In order to provide a comparison of safety performance, the following chart provides information relative to flight assists or "saves" by Air Traffic Control Specialists over a time span of five years. Please note that percentages for Flight Service are very high when one considers that the system is only endowed with one-fifth of the total controller work force. ①

FLIGHT ASSISTS

CALENDAR YEAR	TOTAL	PEOPLE ON BOARD	FLIGHT SERVICE SYSTEM	TERMINALS	CENTERS	FLIGHT SERVICE SYSTEM - PERCENT
1980	2,695	5,413	954	1,206	535	35.4
1981	1,933	3,654	867	777	289	44.8
1982	959	1,899	462	358	139	48.2
1983	1,005	2,323	459	406	140	45.7
1984	1,069	2,852	404	467	198	37.8

Source: Hearings records of this Subcommittee

During the past eighteen months, there has been a great deal of talk and rumor relative to the privatization of the Flight Service System. During that time, the FAA contracted for a study on the subject which has now been completed. It is entitled, "Flight Service Station Privatization Study", dated June, 1985. It was prepared under contract for the FAA by Comsis Corporation, Gellman Research Associates, J. Tilghman Montgomery Associates, and EXP Associates. Under the "Executive Summary", the safety impacts are quoted:

> "The safety impacts of FSS privatization are significant; there would be an increase in the number of fatal weather accidents (a weather accident is one where weather was cited as a cause or factor) resulting from reductions in the use of flight services if user fees were imposed and the discontinuation of in-flight services, including assistance to aircraft in distress, search and rescue activities, and enroute flight advisory services (EFAS). There would be no significant safety impacts under Configurations II and III. Under Configuration IV, there would be an increase in the number of fatal weather accidents due to the decreased use of flight services, resulting in an estimated 34-48 additional fatalities per year, with an annual economic loss of $23-32 million.

Under full privatization it was estimated that there would be an additional 203-212 fatalities per year, due to the decreased use of weather briefings and the elimination of search and rescue, assistance to aircraft in distress, and enroute flight advisory service, with an annual economic loss of $141-147 million.

"Also, there are significant legal questions about the FAA's ability to effect a complete withdrawal from the provision of some or all FSS services. Specifically, it is not clear that the FAA's enabling legislation allows the Agency to divest itself of such responsibilities. Moreover, there are significant questions about the ability of private suppliers of FSS services to obtain insurance coverage for certain aspects of their potential liability. For example, there appears to be little likelihood that such protection can be obtained at an acceptable price for services provided through air-to-ground communications.

"All things considered --

- Some privatization is already underway with respect to weather briefings and flight planning. FAA should place no undue barriers before those who would supply FSS services on a user-fee basis.
- Full privatization is not feasible. Full privatization is not even desirable because the private sector is not likely to supply in-flight services on a for-profit basis at levels approaching the output of those services by FAA.
- Because privatization requires direct user payments for services, if private supply is the only source of such services, the safety of the aviation system will be materially degraded; this grows out of the fact that users' willingness (and ability) to pay is limited in both good and marginal weather.
- Were full privatization a practical possibility, the system would be less safe than at present. Any reduction or elimination of the availability of FSS services will adversely affect aviation safety."

We concur with the views of the study group and believe that safety information for pay would be a disaster to aviation safety.

Thank you, Mr. Chairman.

Mr. **Lehman**. We have to run and vote now. We have about five minutes and——

Mr. **Henry**. Thank you very much.

Mr. **Lehman**. You just made the deadline.

[Recess.]

Wednesday, April 23, 1986.

FEDERAL AVIATION ADMINISTRATION

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESS

DAVID BRENNER, DIRECTOR, DEPARTMENT OF COMMERCE, CITY OF PHILADELPHIA, PENNSYLVANIA

Mr. **Lehman**. At this time we will have Mr. David Brenner, and I yield to Mr. Coughlin.

Mr. **Coughlin**. Thank you. It is a pleasure for me to welcome the very distinguished director of the Philadelphia Department of Commerce to the Subcommittee from our city of brotherly love. We are glad to have you here and look forward to your testimony.

Mr. **Brenner**. Thank you.

Mr. Chairman, Members of the Committee, I am David Brenner, the Director for Commerce for the City of Philadelphia.

I want to thank the Subcommittee for the opportunity to bring to your attention two matters of great importance to Philadelphia and for which we seek your support for funding assistance.

The first matter involves Philadelphia's critical need for sufficient funds under the FAA's Airport Improvement Program to enable the City to complete several major development projects at Philadelphia International Airport and Northeast Philadelphia Airport.

The second matter involves the City's efforts over the last several years to recover certain extraordinary costs incurred in constructing the Center City commuter tunnel.

Philadelphia needs about $37.8 million in AIP funds for Fiscal Year 1986 through Fiscal Year 1988.

Turning first to the airport, the City is the owner and operator of two airports serving eastern Pennsylvania, Delaware and Southern New Jersey: Philadelphia International Airport and Northeast Philadelphia Airport.

Philadelphia International is in the midst of its first major facilities expansion since the early 1970's. Since then, while the rest of the nation's airport system was growing, Philadelphia remained relatively stable.

The airport serves the nation's fourth largest metropolitan area, yet has barely ranked in the top 20 in enplanements. All that is about to change with several major expansion projects which will substantially benefit the traveling public and the nation's air transportation system.

However, to complete these projects, Philadelphia will need about $37.8 million in AIP funding during the period Fiscal Year

1986 through Fiscal Year 1988, about $27.5 million of which would be in AIP discretionary funds.

Funding may be spread over a three-year period with about $4 million being required during Fiscal Year 1986, $19 million during Fiscal Year 1987 and $15 million during Fiscal Year 1988.

Applications for these funds have been submitted to the FAA, with the exception of an application for $8.5 million for a taxiway which will be submitted to the FAA shortly.

One more explanatory note may be in order here since I refer to a need for Fiscal Year 1986 funds even though you are appropriating for Fiscal Year 1987.

The reason for this "back-reference" is to give you a complete picture of our funding needs for the various projects.

The largest project covered by this funding request is the construction of a new international terminal at Philadelphia International Airport.

The terminal will contain 11 aircraft gates, customs and immigration facilities, and handle 500,000 passengers per year by 1990.

The project includes terminal facilities, aprons, taxiways, aircraft loading bridges, and related improvements to baggage claim roadways.

Design and engineering work is underway, construction will start in Fiscal Year 1987 and the project is scheduled for completion in the last quarter of 1988.

As evidence of its full commitment to this project, the City has issued revenue bonds to cover about $77 million of the project costs.

However, the City will still need about $21.4 million in AIP funds between Fiscal Year 1986 and Fiscal Year 1988 to allow the AIP eligible components of the project to be completed.

The second major project is the establishment of United Parcel Service's new East Coast hub on a 212-acre site at Philadelphia International Airport.

UPS originally evaluated several sites on the East Coast, but chose Philadelphia International because it was relatively underutilized. The UPS project will have a highly beneficial impact on the airport by increasing facility capacity and utilization.

It is also expected to increase airport employment substantially by adding about 2,700 jobs and $53.6 million in payroll by 1993, about 4,700 jobs and $117 million in payroll by 1998 and about 7,300 and $180 million in payroll by the year 2000.

As in the case of the international terminal, substantial non-Federal funds will be committed to the projects.

The City will spend $7.5 million on improvements. UPS itself will spend about $108 million to construct the facility.

However, to accommodate the major expansion represented by the UPS project, the City needs to construct a new taxiway for which about $8.5 million in AIP funding will be required.

The third prong of this development of Philadelphia International Calls for the construction of a high-speed taxiway and a bypass taxiway.

These badly needed taxiways will increase capacity and efficiency at the airports and will require $3.7 million in AIP funding.

Finally, about $1.2 million in AIP funding will be needed for several smaller projects which are currently underway at Philadelphia International.

Philadelphia's second airport, Northeast Philadelphia, is a reliever airport which the City is also improving as part of a comprehensive development of the national air transportation system.

About $3 million in AIP funds will be required here for the construction of a taxiway and access road.

To complete these projects and thus be able to meet the air transportation needs of our large and populous region will require substantial discretionary funds in addition to what Philadelphia would normally receive under the apportionment program.

However, Mr. Chairman, I wish to put this request into its proper context by pointing out that Philadelphia has not requested or received discretionary funds since 1980.

Thus, the City's current AIP funding needs are not large if viewed as being spread out over the eight-year period Fiscal Year 1981 through Fiscal Year 1988 rather than the three-year period Fiscal Year 1986 through Fiscal Year 1988.

The Administration's budget guidelines for grants-in-aid to airports for Fiscal Year 1987 stated that projects that increase airport capacity will receive priority. These projects meet that criterion.

Furthermore, Mr. Chairman, these projects are critical if Philadelphia is to have a safe, efficient air transportation system capable of meeting the growing needs of one of the nation's largest metropolitan areas.

In addition, substantial non-Federal funding is being provided for these projects with the result that if our AIP funding requests are met, each dollar in AIP funding will be matched by about $5 in non-Federal funds. That is quite a bang for the dollar.

Accordingly, we urge that the House Transportation Appropriations Subcommittee recommend that the FAA give priority consideration for awarding the total of about $37.8 million in AIP funds, including about $27.5 million in discretionary funds, for these projects for Fiscal Year 1986 through Fiscal Year 1988.

Mr. Chairman, the second major matter I want to discuss this morning concerns the Center City commuter tunnel in Philadelphia and the City's efforts to recover extraordinary costs incurred in the construction of that project.

This Subcommittee has been extraordinarily supportive on this matter in the past but UMTA has not responded and so we are forced to seek your support once more.

The commuter tunnel connects the rail lines formerly owned by two railroads—the Reading and the Pennsylvania Railroads.

Since its opening in November 1984, the tunnel has proven to be a major success in making rail travel more efficient and convenient for riders all over the region.

The tunnel was built under a full funding contract executed in 1975. The contract called for total costs of $300 million. In the period 1975 to 1983, excess inflation drove the cost into the $323 million range. The Department of Transportation has reimbursed the City for its share of those costs. However, over a two and a half year period, the Department has failed to adequately address the

City's request for reimbursement of the Federal share of $14.7 million in other extraordinary costs.

It is because of our frustration in seeking relief from the Department of Transportation that I am appealing to your Subcommittee today for assistance.

The costs for which the City seeks reimbursement come under two major headings—those caused by Federal legislation and those caused by excess eminent domain costs.

The legislatively-caused costs stem from two Federal laws enacted after the full funding contract was enacted. The Northeast Corridor Improvement Project, which has rehabilitated AMTRAK lines in the region, call for changes in the operation of our regional rail network which, in turn, required changes in the commuter tunnel construction plan.

The Northeast Rail Service Act of 1981 set in motion a major change in the ownership and operation of our rail lines which also affected the project.

Total costs incurred due to these two Federal acts come to $7.2 million.

Under the eminent domain category, the City had to spend $7.5 million in excess of original plans to take certain property in the Center City area.

This amount may yet increase substantially if still outstanding claims against the City are not settled in the City's favor.

The City first came to UMTA to request reimbursement for the $14.7 million in costs in August 1983. Since that time, a long series of negotiations have taken place in which the City has gone the extra mile to reach a settlement.

Our most forthcoming offer, in January 1985, suggested that UMTA reimburse the City for its share of the $14.7 million.

In exchange, Mayor Goode offered to close out all claims under the full funding project. Doing so would expose the City to all eminent domain charges which could result from pending cases.

Despite the City's best efforts and the strong support of our Congressional delegation, UMTA has, to date, recognized less than $3.5 million out of the $14.7 million.

The City has no indication that UMTA is working towards resolving the remaining issues.

With these facts in mind, Mr. Chairman, the City believes that assistance from your Committee is now necessary. We view this request as a last resort, but feel it is the only way to resolve the matter.

As you may recall, this Subcommittee approved report language in your Fiscal Year 1985 bill which urged UMTA to settle the City's claims.

Now that you are beginning work on your Fiscal Year 1987 bill, it is clear UMTA has not responded to that direction.

Therefore, it is our hope the Subcommittee will mandate that UMTA release its share of remaining cost and also remove an audit exception which has frozen $4.7 million in funds due to the City.

I thank you for the opportunity to advise you of our AIP funding requirements for our two airports and to share our serious concerns regarding the status of our recovery efforts on the commuter tunnel costs.

The City is appreciative of the support you have given us in the past and looks forward to your continued support.

Thank you.

Mr. **Coughlin**. Thank you, Mr. Chairman.

When the FAA was here just last week, I brought to their attention the fact it has been some years since I have brought up the City of Philadelphia International Airport to them.

They are well aware and have all the proper documentation for the two applications, and they are waiting on environmental impact statements which they indicated would be expedited.

I called attention to the fact that, in particular, the UPS project has some time constraints to it. They indicated they would keep me advised and certainly look favorably upon the project and indicated we wanted to certainly expedite those applications.

Mr. **Brenner**. We appreciate your support and will continue to supply with them all the data they need in a very timely fashion.

Mr. **Coughlin**. Thank you, Mr. Chairman.

Mr. **Wolf**. No questions, Mr. Chairman.

Mr. **Lehman**. I want to thank you for your appearance, and I do want to convey that our other member from Philadelphia, Mr. Gray, regrets not being able to be with us today—as you know he is pretty well tied down as Chairman of the Budget Committee—but he wanted me to let you know that he fully supports your position.

Mr. **Brenner**. Thank you very much for the opportunity to be before you.

Wednesday, April 23, 1986.

FEDERAL HIGHWAY ADMINISTRATION

WITNESS

HON. DOUGLAS BARNARD, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA

Mr. **Lehman**. Congressman Douglas Barnard.

Mr. **Barnard**. Thank you, Mr. Chairman. I want to thank you and all the members of the committee for the opportunity to testify personally on the need to fund railroad relocation projects in the Fiscal Year 1987 Transportation Appropriations Bill.

Naturally, I am most interested in rail relocation in my district, but I feel like all of the projects are worthy as they provide much-needed relief from long-standing traffic and safety hazards

As many of you remember, the Railroad Highway Crossing Project was first authorized in 1973 by Public Law 93-87.

Several cities across the nation were chosen to develop viable solutions to pressing rail crossing problems in their downtown areas.

Since then, some cities have finished their work and new sites have been added.

I know of approximately 14 cities that are still working towards completion of their projects. Although these projects have an undeniably strong local interest, I believe they are legitimate concerns of the Federal Government because of the experience gained that can be shared with cities across entire country with similar problems.

As we are working as a Congress to improve our national infrastructure, we must remember that final product can only be achieved by solving problems one at a time.

We have to start at the local level and slowly branch out to provide a sound transportation network that will serve the needs of the nation.

I have long been associated with railroad relocation and transportation problems both as a layman and a Congressman.

I served on the City of Augusta Transportation Board which has wrestled with this problem for some 30 years, and I also served on the board of the Georgia Department of Transportation when this project was approved.

Since I have been in Congress I have worked every year to secure authorization and funding for rail relocation for the City of Augusta, and I am very happy with what we have been able to accomplish so far.

Last year, Augusta received close to six million dollars in relocation funds to help work on some terrible traffic problems which I will discuss shortly.

This money is already at work designing and building a rail overpass to separate a Seaboard Railroad crossing and busy street in downtown Augusta.

Of course, this is only one of many crossings, and we need more money to continue with this important work.

Augusta is one of the largest, busiest cities in Georgia. Because of its location on the Savannah River, it was an important center of trade in past years when barges and trains were in high demand.

As a result, Augusta has three railroads running through its downtown section. The nature of Augusta's business has changed dramatically over the years, and, as you can well imagine, these trains cause considerable disruption when they come through town at 8:00 a.m. or 5:00 p.m., sometimes taking as long as thirty minutes to complete their transit.

More important than the severe congestion are the grave safety problems the trains present. Access to three different medical facilities is cut off, and many times emergency vehicles have been delayed from reaching the scene of a crime or accident because they were stuck in line at the railroad track.

Latest available figures show 154 accidents, 15 injuries and 5 fatalities occurred in a seven-year period, costing $42,800 a year; in addition, $817,000 lost annually due to business hours wasted in traffic.

Ironically, these trains, which provided much of the incentive for businesses to locate in Augusta originally when rail transportation was at its peak, are now responsible for driving merchants away.

In a time when many cities across America are trying to revitalize their downtown sections, Augusta businessmen are heading out to the outlying malls to set up shop.

They simply can't accept the inefficiencies and disruptions caused by the trains despite such efforts as the City's expenditure of close to $5 million to create a more favorable business climate on the riverfront.

The original plan drawn up by the Georgia Department of Transportation called for the relocation of an entire railroad yard which carried a price tag of close to $40 million.

With the economic realities facing us now, the State planners realize that such an enormous undertaking is hardly feasible.

What they have proposed to me, and what I feel is a reasonable course of action, is to pursue approximately eleven grade separations in downtown Augusta.

This plan called the Limited Build Project, will provide significant relief at about one-fifth of the cost.

As I mentioned, money appropriated last year is being put to work at a particularly troublesome rail crossing.

This year, the city has identified and placed a priority on a similar rail overpass project. The Georgia Department of Transportation has estimated the total cost of this project—including right-of-way, acquisition, and construction—to be $4 million.

This is a far cry from $40 million to move the whole rail yard or almost $133 million to go ahead with the original plan.

However, this busy intersection has been the site of many traffic problems, and an overpass would be a welcome sight to my constituents.

In closing, I would just like to emphasize the importance of finishing the task at hand.

I hope that the Committee will continue to support the efforts of the State and City to end the daily gridlocks plaguing our towns, restricting commerce and threatening safety.

Every year the program is delayed, costs of planning and construction go up and the options go down.

As I mentioned, Augusta is one of the State's fastest growing cities and land development is accelerating. Two relocation plans have already been abandoned because of subdivision construction on a proposed site.

I recently had a conversation with the man who was Augusta's Planning Director 25 years ago when railroad relocation was first addressed, and he reminisced that the original cost of the project was $3.5 million.

In 1979, it was $125. Now we are talking about $133 million for the whole project—about $25 million for the Limited Build Plan.

In closing, I again urge you to include sufficient funding in the Fiscal Year 1987 Transportation Appropriation bill to continue addressing this serious problem of railroad crossings.

I believe that railroad relocation is a vital link in our overall plan to improve America's infrastructure so that the entire population will be afforded safe, sound access to any destination.

I know that money is tight, and that is why I am not asking for much. It is imperative that we continue working steadily to correct this type of infrastructure problem that has plagued Augusta and many other cities for decades.

Thank you for allowing me to present this testimony to you.

Mr. LEHMAN. Thank you, Congressman Barnard. You have the teaching hospital, the University of Georgia Medical School at Augusta.

Mr. BARNARD. Right. In fact, it is surrounded by railroads.

Mr. LEHMAN. That is what I was going to ask you about. Do you have the trauma center there?

Mr. BARNARD. Yes, sir, we do.

Mr. LEHMAN. Do you have any helicopter trauma service to get there?

Mr. BARNARD. Yes, sir.

Mr. LEHMAN. You have to use that because you can't use the surface vehicles.

Mr. BARNARD. Yes, sir. We have two helicopter teams that work in our community to bring trauma patients in from all over that particular area.

Mr. LEHMAN. Including South Carolina, probably.

Mr. BARNARD. Right.

Mr. LEHMAN. We do have problems with Gramm-Rudman, as you know, and we will try to do the best we can under those restraints.

Mr. BARNARD. Mr. Chairman, I would like to emphasize that we have been working very closely with the Georgia Department of Transportation, and the next step that we wanted to accomplish was removal, as I said in my testimony, of the entire railroad yard.

We know that is not feasible, so we are trying to now concentrate on the traffic area in the downtown area. We feel like next year we could accomplish a great deal with $4 million as opposed to $40 million.

Mr. LEHMAN. We understand your needs and Augusta is a very historic town, but history is not getting in the way right now.

Mr. Coughlin.

Mr. COUGHLIN. Thank you, Mr. Chairman.

Just one very quick question. Is this grade separation that you are proposing for $4 million the last of the grade separations under the limited bill plan?

Mr. BARNARD. No, it is not the last, but it is, we feel like the one project that is the next most important to accomplish.

Mr. COUGHLIN. Thank you.

Mr. BARNARD. I imagine, sir, we will be back next year to talk about another.

Mr. COUGHLIN. Yes.

Mr. BARNARD. I would not be timid to say, we were one of the 16 cities—11 cities that was named in the demonstration project language in 1976.

Of course, as you look history over, not all of them have been completed. Some of them have been completely built, but we were one of the first sites selected for which we are very appreciative.

Still, though, our problems have not all been satisfied.

Mr. COUGHLIN. Thank you.

Mr. WOLF. No questions.

Mr. LEHMAN. Do you get any historic preservation money as Savannah did?

Mr. BARNARD. Oh, yes. The fact is, the entire eastern part of our downtown area has been refurbished with historic preservation funds, and it, like Savannah, is gaining as a tourist attraction because of that.

AVAILABLE

Mr. **Lehman**. Well, thank you very much for your testimony. We will be happy to receive an invitation next April for an on-site inspection.

Mr. **Barnard**. It will be the second week, Mr. Chairman. I think I can arrange that.

Mr. **Lehman**. Thank you.

Wednesday, April 23, 1986.

COAST GUARD

WITNESS

JEFFREY C. SMITH, DIRECTOR OF PRIVATIZATION ALLIANCE, CITIZENS FOR A SOUND ECONOMY

Mr. **Lehman**. Mr. Jeffrey Smith.

Mr. **Smith**. Thank you, Mr. Chairman, for the opportunity to present our views on the issue of the U.S. Coast Guard.

Citizens for a Sound Economy is 250,000 member grassroots organization dedicated to returning economic decisionmaking to citizens.

One of CSE's main projects over the past two years has been privatization, the practice of replacing public sector activities with private sector alternatives.

Experience has shown that reliance on private sources to deliver needed goods and services results in greater efficiency and lower costs.

As Director of CSE's privatization project, I appear before your committee today to explain how privatization can help the Coast Guard better perform its traditional responsibilities while dealing with the funding shortages which are inevitable under the Gramm-Rudman-Hollings mandate to balance the budget by 1991.

Improving Coast Guard services while reducing costs may sound like a difficult proposition but numerous studies and experiences have shown that privatization may be the answer to many of the Coast Guard's present difficulties.

The 1983 Grace Commission, for example, placed significant emphasis on the cost savings and avoidance that could be achieved through privatization.

CSE has recently published a study which builds on the Grace recommendations, and finds that privatization could result in savings of $1.6 billion over a three-year period.

These savings would result in contracting out such things as short range aids to navigation and buoy maintenance while allowing the private sector to take over most non-emergency search and rescue work.

The area of non-emergency search and rescue work is most suited to the possibility of privatization.

The Reagan Administration's total Fiscal Year 1987 budget request for SAR is $433 million and estimates vary, but at least 50 percent of this money is currently spent on non-life threatening incidents.

The compelling reason that non-emergency SAR should be privatized is that there already exists a great number of private firms which could easily expand to meet the demands of the boating public for safe, efficient and reliable assistance.

I recently founded, and now serve as chairman of C–PORT, the Committee for Private Offshore Rescue and Towing. C–PORT is made up of firms which offer on-the-water maintenance, towing, rescue and even trip planning for low annual fees.

These organizations are much like American Automobile Associations (AAAs) of the water.

C–PORT is dedicated to the belief that the U.S. Coast Guard has no business competing with private towing and salvage operators and that the Coast Guard should, to the greatest extent possible, rely on private industry in all cases which are non-emergency in nature.

In written policy the Coast Guard has supported this goal as a 1983 directive issued by the Commandant stated specifically: "It remains Coast Guard policy to refrain from competition with qualified commercial sources of assistance."

The firms in C–PORT feel that the Coast Guard has adopted the policy of non-interference with the private sector in policy, but unfortunately not in practice.

I have personally contacted over 100 private firms involved in marine towing and salvage and an overwhelming majority of them complain of interference from the Coast Guard.

Further, in light of the fact that over 80 percent of SAR operations are within three miles of shore and 72 percent involve recreational boats, it is clear that the U.S. Coast Guard is extending its limited resources into areas which could and should be handled by the private sector.

Mr. Chairman, I think that it is high time that Congress look at the possibility of encouraging the use of private sector towing services as recommended by a 1983 National Advisory Committee on Oceans and Atmosphere study titled: "The U.S. Coast Guard, status, problems and potential."

Other countries such as Great Britain have comprehensive volunteer emergency rescue services. The British Royal National Lifeboat Institute (RNLI) serves in some of the busiest and most dangerous waters in the world.

Organizations such as the RNLI are by no means amateur organizations as it is extremely difficult to secure a position as a volunteer and training is rigorous.

Two firms which serve on C–PORT's steering committee are good examples of reputable and reliable private alternatives to the Coast Guard for non-emergency rescue work.

The first is Sea Tow Services International which was founded in 1983 by Joseph Frohnhoefer and Tom Czelatka in Long Island.

For a $95 to $150 annual membership fee, a boatowner can call any of the more than 20 Sea Tow licensees up and down the East Coast and be rescued and towed as many times as necessary.

Sea Tow has proven to be enormously successful as they have over 4,000 members but face their most difficult competition from the U.S. Coast Guard.

The second example is the Great Lakes Prepaid Towing Association which provides non-emergency rescue on Lake St. Clair, the Detroit River and the Western end of Lake Erie.

This firm consists of five separate towboat companies which pool their respective resources to create a network for towing.

There are hundreds of private firms offering similar services located across the country ready, willing and eager to step in to provide assistance to boaters.

The boaters would benefit as they could have more reliable assistance and not worry in a real emergency that the Coast Guard might be unable to handle their call because it was off performing a non-emergency tow.

The Coast Guard itself would benefit as it would be able to concentrate on its traditional roles of military, law enforcement and emergency rescue.

Lastly, the taxpayer would benefit as he would be relieved of the burden of having to subsidize the towing of generally wealthy boaters.

In conclusion, Citizens for a Sound Economy feels that privatization would benefit boaters, taxpayers and the Coast Guard itself, and we encourage Congress and the Administration to consider what positive results could come out of a policy of increased reliance on the private sector.

Thank you, Mr. Chairman. That concludes my statement.

Mr. **Lehman**. Thank you. I am not really clear about how your statements line up with what we have heard from the Coast Guard.

My reaction from their testimony was they were happy to hand off as much of this service to the private sector as they could.

In fact, if I remember correctly, they were complaining that the boats that needed rescues would often sit out there and wait until darkness approached. They could then claim it would be a life threatening situation so they could get the Coast Guard rather than a private towing outfit to come and pick them up.

So, I really don't understand exactly the divergence between what I am hearing from you and what I thought I heard from the Coast Guard.

Mr. **Smith**. Well, I think you are exactly on the mark there as far as the problems that they have, but the Coast Guard has only adopted this policy in writing. They haven't carried out as much as they should, or as told by many of these private operators, the policy of noninterference with the commercial sector.

Furthermore, placed in your Coast Guard authorization bill over in the House Committee on Merchant Marine are anti-private sector provisions.

In many ways Congress is not encouraging what the Coast Guard says it wants. It is a very difficult problem, because the Coast Guard claims to want more private operators; the private operators want more business.

It seems in many ways that the Congress is impeding the process of contracting out for non-emergency search and rescue work. So, that is the difficulty.

Mr. **Lehman**. Well, I am even more confused now, because it seems like we have a third player in there which is the Congress, and we will look into that.

If you have any evidence that some of the 100 firms you talked to have had negative interference from the Coast Guard, and you want to present that to the Committee, we would be happy to receive such evidence.

I would like to say, I don't know how well-coordinated your organization is, but perhaps some of the people should have to meet certain standards of business ethics, because I have heard of complaints.

Perhaps some of your people are not exactly operating within the reasonableness of good business standards and sometimes are charging what the traffic will bear.

I assume your association would be policing to that effect, before it creates problems that you don't need.

Mr. Smith. Certainly that happens in any industry, and I think we definitely try to screen some of those people, but there are definite cases we will submit.

[Clerk's note.—The information referred to was not provided to the Committee.]

Mr. Lehman. If some of our constituents would find that they were unhappy with the private towing services, could they write your organization and you would provide this information to your members?

Mr. Smith. Yes, sir.

Mr. Coughlin. Thank you, Mr. Chairman.

Let me just read you Admiral Gracey's response on this subject and get your comment on it for the record.

He said: "It is simply not true private firms already offer services that are similar or identical to what the Coast Guard really does in total.

"For example, there are firms with vessels that lift buoys out in the water or put one in, but those vessels and their crews cannot be used to enforce laws.

"They are not trained or equipped to fight fires or engage in search and rescues. They will not be available nor are they equipped for overseas deployment or mine countermeasure work with the Navy.

"They are built to break ice. Their crews are not subject to military orders and all that conveys, nor do they work at fixed costs regardless of time, place or conditions."

Mr. Smith. Well, let me start off—I fully agree. I am saying, let's privatize the commercial functions of the Coast Guard so the Coast Guard can better focus on law enforcement, military and national emergency and cooperation that it has with other countries.

So, we don't think that the Coast Guard should be rescuing boats owners and yacht owners that happen to break a sheer pin in their motor.

We would rather have them catching drug smugglers or fulfilling their military functions. We think privatization would help that out.

So, in no way are we advocating privatization of, for example, law enforcement. There is about $433 million budgeted for search and rescues, and we could look at about half of that as commercial towing.

So, you are talking about $200 million there which is about what Gramm-Rudman would take out of their budget, come October 1st.

Mr. **Coughlin**. Thank you very much.

Mr. **Wolf**. No questions, Mr. Chairman.

Mr. **Lehman**. We will provide you a copy of Admiral Gracey's statement, and we would like for your organization to give us a written response to it.

Mr. **Smith**. I would be happy to, Mr. Chairman.

Mr. **Lehman**. Thank you very much.

[The prepared statement of Jeffrey C. Smith follows:]

C/S/E

TESTIOMNY OF
JEFFREY C. SMITH
DIRECTOR, PRIVATIZATION ALLIANCE
CITIZENS FOR A SOUND ECONOMY

BEFORE THE

APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TRANSPORTATION
OF THE
U.S. HOUSE OF REPRESENTATIVES

APRIL 22, 1986

CITIZENS FOR A SOUND ECONOMY
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Improving Coast Guard services while reducing costs may sound like a difficult proposition but numerous studies and experiences have shown that privatization may be the answer to many of the Coast Guard's present difficulties. The 1983 Grace Commission, for example, placed significant emphasis on the cost savings and avoidance that could be achieved through privatization. CSE has recently published a study which builds on the Grace recommendations, and finds that privatization could result in savings of $1.6 billion over a three year period. These savings would result in contracting out such things as short range aids-to-navigation and buoy maintenance while allowing the private sector to take over most non-emergency search and rescue work.

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Mr. Chairman, I think that it is high time that Congress look at the possibility of encouraging the use of private sector towing services as recommended by a 1983 National Advisory Committee on Oceans and Atmosphere study titled: The U.S. Coast Guard, status, problems and potential. Other countries such as Great Britain have comprehensive volunteer emergency rescue services. The British Royal National Lifeboat Institute (RNLI) serves in some of the busiest and most dangerous waters in the world. Organizations such as the RNLI are by no means amateur organizations as it is extremely difficult to secure a position as a volunteer and training is rigorous.

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In conclusion Citizens for a Sound Economy feels that privatization would benefit boaters, taxpayers and the Coast Guard itself and we encourage Congress and the administration to consider what positive results could come out of a policy of increased reliance on the private sector. Thank You.

C-PORT
Committee for Private Offshore Rescue and Towing

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Jeffrey C. Smith
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WEDNESDAY, APRIL 23, 1986.

FEDERAL RAILROAD ADMINISTRATION

WITNESSES

HILMAR B. CHRISTIANSON, ASSISTANT COMMISSIONER FOR RAILROAD SAFETY AND HEALTH, MARYLAND DEPARTMENT OF LICENSING AND REGULATION

ALLEN LUDWIG, TRACK INSPECTOR

SONNY DIFALCO, COORDINATING PRACTICES INSPECTOR

BILL DURNER, SIGNAL AND TRAINING CONTROL INSPECTOR

JOYCE TAPPER, LAWYER AND ADVISOR

Mr. LEHMAN. Mr. Christianson.

Mr. CHRISTIANSON. I wish to present some of the members of my staff; Allen Ludwig, Track Inspector for the State of Maryland; Sonny Difalco, Coordinating Practices Inspector; Bill Durner, Signal and Training Control Inspector; and the missing person, Paul Mathias, Motive Power and Equipment Inspector, who is on personal business.

Mr. LEHMAN. Any relation to Mac?

Mr. CHRISTIANSON. Remotely, yes, sir. He is on personal business in Arkansas this week; and Joyce Tapper who is our occasional lawyer and advisor.

Our inspectors are here on leave because they want to come down and answer your questions and testify, as you please, on their own.

Joyce Tapper and I are not. We are being paid by the State of Maryland to be here.

The inspector's principal job is to find defects and assure their corrections.

Ms. Tapper's and my jobs are a little bit different. My principal task is to enable them to inspect and assure correction of defects.

I think they are a very fine group, and I begrudgingly give out superior ratings to the qualifications of persons after years of work, but I have given superiors to all of my inspectors, except you, Mr. Durner, because you have only been around four weeks. I really don't know that much about him.

I think that they are competent; they are dedicated and professional and productive. In the State of Maryland, they perform 80 percent of the inspection effort in their disciplines.

They do this at about two-thirds of the cost, because their salaries are only two-thirds of that of federal inspectors or less.

Four of our inspectors are half-funded, and in the most recent fiscal year our collection from the federal government was about $84,000. That may go to $90,000 or $95,000 with the addition of another inspector.

Mr. Chairman, I have given you a three-page letter. I would ask that you accept that as testimony, but I just want to highlight some of the points.

I have studied the FRA reasons for budgeting zero funds for state participation, and I am concerned because I feel that Administrator Riley is misinformed.

I have his special testimony here. He leads off by saying he decided to make the cut in the area with the least impact on safety enforcement. I say on the contrary, cutting state half-funding would have a massive impact on rail safety enforcement.

He next says, in his judgment, it is essential to preserving the federal inspectors. I would change that. I would say, it is essential to not just preserving the most effective inspectors, but to make it even more effective.

Then he has some comments here about mobility, mobility of the federal inspectors and the supposed immobility of the state inspectors.

For rail service inspections, mobility is not necessarily an asset. It think too often it means that the inspector is off somewhere where you can't find him at the right moment.

Mobility means that the FRA, upon finding an area where safety has gotten out of control, can flood it with inspectors.

Now, a subjective quality control program would avoid this kind of confusion and waste. I find that FRA has become a reluctant partner in the rail safety effort.

I think that is too bad, because I can remember when I got in this business four years ago, coming from a carrier, I was told that the federal and state inspectors are the elite corps of the FRA.

I would like to think that they are. These are great men.

Sonny Difalco is certified in operating practices, formerly a track inspector. He is in operating practice now. He sure is one of the finest supervisors of track in the entire corridor.

Paul Mathias, who isn't here, has, I think, the sharpest eyes of any inspector I have ever known. He annually renews his membership in the Broken Wheel Club. That is a club, mythical club, composed of people who find broken wheels before they derail the train.

He has joined an even more outstanding club; it is the loose wheel club. He has found a loose wheel before derailment. When I told an expert, a long-time car superintendent, about this, he said he has never seen a loose wheel before the derailment.

That is the kind of men we have in this program.

I have a number of suggestions for strengthening this alliance. I think too often we feel restrained and left out of the program.

I think it would be a serious mistake to cut the State funds any more than the 4.3 percent, because I think that FRA and my State of Maryland in the country are getting the most for their money with our group.

We are available to answer any of your questions.

Mr. LEHMAN. Thank you for being with us today. You should be very proud of the kind of work they are doing.

What would the State of Maryland do with their inspectors if the federal program were to be terminated? Couldn't the state come up with $84,000 to fund them?

Mr. CHRISTIANSON. You know, I can't answer that question.

We, like most of the states in the program, get our funds from general revenues.

You know how the state legislatures, when they find money being spent and there is no source for the money, they find ways of getting it cut.

AVAILABLE

We started in Maryland with a very ambitious program. We had eight positions at the beginning. Two years ago our legislature cut it to five, and really for the last year or so we have been operating with only three.

So, I would hate to say, no, if you cut the funds it is all over. But, look, even with only half-funding, out of 49 continental states, only 31 are in the program.

Now, the original rule says half-funding, at least half-funding. I don't know what the participation would have been if the funding would be 75 percent, but I will assure you that—no, I am not going to assure you. I hope that my men can keep working.

Mr. LEHMAN. We hope so, too.

Mr. Coughlin.

Mr. COUGHLIN. Thank you very much.

I appreciate your testimony, and particularly your pride in your organization. It is always very heartening.

Mr. WOLF. I want to reiterate what Mr. Coughlin said.

Mr. LEHMAN. Thank you for being here.

The record will show who attended and we hope we will be able to do something to help you.

[The prepared statement of Mr. Hilmar B. Christianson follows:]

HARRY HUGHES
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NANCY S. BURKHEIMER
DEPUTY COMMISSIONER

FREDERICK L. DEWBERRY
SECRETARY

HILMAR S. CHRISTIANSON
ASSISTANT COMMISSIONER

April 21, 1986

The Honorable William Lehman, Chairman
Subcommittee on Transportation
Committee on Appropriations
United States House of Representatives
2358 Rayburn Building
Washington, DC 20515

Dear Mr. Lehman:

I laud the Federal Railroad Administration for working effectively on several difficult issues last year. But I am vexed that Administrator Riley again proposes zero funding for states participating in the federal rail safety program. After hearing his March 12, 1986 testimony to your committee, I believe he is misinformed.

Four years ago I heard Administrator Blanchett tell a large group of federal and state inspectors that they are the elite corps, the visible presence of FRA, the mark of honesty and excellence. Apparently FRA changed its mind. Two years later, before the same assembly, Administrator Riley responded to my question about the future of state inspectors by saying FRA wants to integrate (absorb?) the state programs, would drop state funding first in any budget cut, and would have no sympathy for any state unwilling to dig up the funds lost. This fits neither the original intent of the law nor of 49 CFR Part 212: "It is the policy of the FRA to promote the growth and vitality of the State Safety Participation Program...."

Maryland joined the federal program six years ago. By all measures, the federal and state programs to eliminate accident, death, injury, illness and damage in rail operation, together with the carriers, have largely succeeded. Reportable train accidents in Maryland declined even more than the national decline.

Recently Maryland employed a Signal and Train Control inspector to supplement inspectors of Track, Motive Power and Equipment, and Operating Practices. We're the first state to have all four state disciplines. Our fifth inspector splits time between federal work and state work: safe clearances, safe walkways and industry rail safety. Four inspectors are federally half-funded. In FY 1985 FRA reimbursed Maryland $84,000, partly offset by $25,000 in fines initiated by our inspectors.

I'm puzzled by the numbers FRA crunched and reported to you, Mr. Lehman. S[illegible] the other state chiefs I talk to. Maryland state inspecto[illegible]nue to report about 80% of all FRA safety defects found [illegible]certified disciplines. In some disciplines they reinspect [illegible]rify correction, an action not always taken in a timely way by federal inspectors. Last year our MP&E inspector examined 14,700 cars and reported 8.3% defective!

Administator Riley would have you believe that inspector mobility is a federal asset. Sometimes, perhaps. But usually this means more travel time, more cost per inspected unit, and less effective enforcement. Special assessments sound great, but they consume much federal inspector time and often close the barn door too late.

Maryland helped in one such assessment, was dismissed after gathering facts, received no information useful to Maryland safety enforcement, and clipped a newspaper general summary months later. Last year I asked FRA to let us join in an investigation of a fatal train accident, Maryland's only one that year. No response. Months later the FRA report was released to us through the Freedom of Information Act.

Federal failure to coordinate state work may spring from unfortunate words in the background to the 1982 revision of State safety participation regulations:

> "...State inspectors will be utilized for routine surveillance and investigative activities rather than the more extensive and sophisticated tasks for which FRA inspectors will be responsible."

FRA regulations are simple. Measuring safety by the regs is routine. It is not sophisticated. The inference that a federal inspector's task is too sophisticated for a state inspector is inappropriate. Those federal inspectors I know would be embarrased by it. Maryland state inspectors are competent, dedicated, professional and productive. This even though their salary scale is only two-thirds that of their federal counterparts!

The FRA rail safety program should be a coordinated quality control program. Industrial engineers know that quality control programs depend on inspection--smart inspection. A scientific quality control system would be far more effective for both FRA and the states. Apparently FRA has no such plans.

The Riley administration forbids multi-discipline inspections. Versatility would enhance state programs. I see no valid reason against certifying competent inspectors partly or fully in:

track/operating practices
equipment/operating practices
signal and train control/operating practices
track/signal and train control
track/equipment

combinations of three, or perhaps all.

When states began enforcing federal regs, half the reportable train accidents were caused by track defects. The rest were due to equipment, operational or miscellaneous defects. But today about half are caused by operational human factors defects. Despite this shift, 59% of state inspectors and 32% of federal inspectors in the four state disciplines are track inspectors. Only 9% state and 20% federal are operating practices inspectors. Clearly, FRA should encourage multi-discipline inspection and should change the mix. More efficient, less costly.

In summary, rail safety inspection needs quality control and versatility, not assessment and mobility.

A special problem in Maryland, and some other states, is that we have many "overhead" trains, trains that neither originate nor terminate in our state. Only our track inspector can fully enforce FRA regulations in Maryland for MARC trains carrying commuters between Washington, DC and Martinsburg, WV, or Conrail or Delaware & Hudson freight trains between Enola Yard, PA and Potomac Yard, VA. FRA reports nothing to Maryland. Virginia has neither an MP&E or OP inspector. We have some ideas about how FRA might bridge this safety gap for citizens of Maryland and the entire country. I'll suggest them to Mr. Riley.

Maryland has another special problem: no way to assess carriers for the cost of its rail safety program. Amtrak and Conrail are federal stepchildren. B&O has charter exemption. That's most of the railroading in our State. And it's just one more reason why we appeal to you for a nearly-half-funded FRA budget for state participation.

Sincerely,

Hilmar B. Christianson

WEDNESDAY, APRIL 23, 1986.

FEDERAL RAILROAD ADMINISTRATION

WITNESS

CLARK JOBE, COMMISSIONER, RAILROAD COMMISSION OF TEXAS

Mr. **LEHMAN**. Mr. Clark Jobe.

Mr. **JOBE**. Thank you, Mr. Chairman and Members. I am Clark Jobe, a member of the Railroad Commission of Texas.

And if it pleases the Committee, I have submitted extensive written testimony. I would like for your convenience to highlight it for you this morning.

Mr. **LEHMAN**. We will be happy to have you do so. Without objection your statement will be inserted in the record.

Mr. **JOBE**. Thank you.

The State of Texas has been participating in the Federal-State Rail Safety Program for a couple of years now, and since we have been participating, rail accidents in Texas have dropped 15 percent, over 15 percent.

We think that shows the state participation is a valuable part of that program, and I come here today timidly in the face of budget reductions to ask for you to continue the $3 million in funding for the state participation, or some portion of it.

The reason is it is a federal-state matching program, 50/50, and so, by pooling the resources, we can get a lot of work done for very few state dollars.

The State of Texas is undergoing budget reductions, as you may know, by this time because of the oil crunch, and we are having to look at a 13 percent cut and probably more.

One of the last places the Railroad Commission will cut will be this program, because it is a federal-state program, and it is attached with the federal government on something that you and we have decided is an important program, and we hope to continue it.

For $265,000 the federal government gets ten state inspectors, and last year they levied fines in the amount of $70,000.

So, about a third or fourth of that comes back into the federal government. We don't get that money.

The Department of Transportation has recommended an increase from $17 million to $50 million in trucks safety and to stay level on the pipeline safety program, both of which we applaud.

But we do think that their wanting to cut federal-state participation in the program in rail safety is not wise.

The State of Texas has eight percent of all the nation's track, and we originate one-third of all the nation's hazardous materials moving by rail. And they don't stay in Texas; they go to other States, they go everywhere.

And so, if we can keep those ten inspectors on the ground in Texas inspecting those cars, it not only helps us but helps all the States through which such cars are moving.

We would like also to ask your help in nudging the FRA to let us participate on the state level in Operation Lifesaver, the grade crossing safety program.

They have been reluctant to do so. We think that is a good program, too.

That is my pitch today: the State of Texas would like to keep these ten inspectors on the ground working. It is a 50/50 match.

It is a good deal for the federal government, because you are getting some very qualified inspectors, some of which the FRA has hired away from us, to do the work.

Then, as the gentleman before me said, we can do it far cheaper on a per inspection cost than FRA inspectors.

If you cannot see fit, in light of the budget reductions, to maintain the full $3 million, that is something we would understand. We just ask if you would consider some kind of reduction in the program rather than its elimination, because we think it is very important.

That is my pitch today. Thank you all.

Mr. LEHMAN. Thank you very much for your testimony. I think that one of the problems in Texas is they have to pick up the bill for this. They probably have a tougher budgetary problem than the federal government is going to have this year.

Mr. JOBE. Yes.

Mr. LEHMAN. About your state budget, about a third comes from oil and gas?

Mr. JOBE. That is right.

Mr. LEHMAN. I was concerned with the FRA report on the frequency count on accidents, and the three leading states: Texas, California, and Illinois. Is there any way you can explain this accident problem you are having?

Mr. JOBE. We do lead the nation in the number of accidents, and in the two years that we have been in the program we have been able to reduce that accident count from over 400 to down to 300 and something. I forget the actual numbers. It is in the testimony, but a 15 percent reduction.

We would like to get it down to zero, but those figures are correct.

Mr. LEHMAN. Why was it so high?

Mr. JOBE. We originate, you know, a great amount of traffic. We have eight percent of the trackage but we have 22 percent of the nation's ton miles.

So, there is just an awful lot of traffic moving out of Texas gulf coast up into the rest of the United States.

Mr. LEHMAN. I just wondered how this data would look using accidents per traffic mile. Using accidents per 100,000 traffic miles, would you still have one of the more adverse records? Not in terms of total accidents, but in relationship to the amount of traffic mileage you have.

Could you get that for the record for us?

Mr. JOBE. I will get that.

I know that we are higher on ton miles than trucks. I know that there are more rail accidents per mile than per ton mile on rail than trucks.

Mr. LEHMAN. That is unusual.

Would you also for the record give us which railroads have had the most unsatisfactory records?

Mr. Jobe. All right.

[The information follows:]

RAILROAD COMMISSION OF TEXAS
P.O. DRAWER 12967
AUSTIN, TEXAS 78711-2967
512/463-7131

CLARK JOBE
COMMISSIONER

May 15, 1986

The Honorable William Lehman, Chairman
Subcommittee on Transportation and
Related Agencies
United States House of Representatives
2858 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Lehman:

Thank you for your kind attention to my testimony supporting continued funding of the state matching grant for the rail safety program.

The program is a bargain for the federal government. You get state inspectors to enforce the federal standards for less than half the cost of federal inspectors. That is the kind of program I think you can easily justify to the folk back home in Florida, even in the face of budget reductions.

The accident rate in Texas dropped 15 percent from 1983 to 1984. The Commission began participation in the joint program in 1983, and we think we're responsible for the drop. Nevertheless, Texas leads the nation in total rail accidents. That's because we have 8 percent of the nation's track and we terminate nearly 9 percent of the nation's tonnage. You'd expect that.

The subcommittee asked about the number of rail accidents per train mile, as well as the accident rate for various railroads. Those data for 1983 and 1984 are attached. The data show that Texas is above the national average. That's why the program is so important.

I hope you will support the request for continued funding of the state-federal rail safety program. Please call me if I can provide additional support.

Sincerely,

CJ/av

Accidents per Million Train Miles
Class 1 Railroads
(1983)

TEXAS

	A	B	C
Railroad*	Train miles(TM) Millions	Accidents	Acc/TM(million) (B/A)
ATSF	10.277	51	4.962
BN	4.052	62	15.301
KCS	.761	16	21.024
MKT	1.806	45	24.916
MP	8.381	47	5.607
SP	8.264	166	20.087
SSW	1.185	36	30.379
Total	34.726	417**	12.008

NATION

A	B	C
Trainmiles(TM) Millions	Accidents	Acc/TM(million) (B/A)
504.108	3,776	7.49

* Key:	
ATSF	Atchison, Topeka & Santa Fe Ry. Company
BN	Burlington Northern R. R. Co.
KCS	Kansas City Southern Ry. Co.
MKT	Missouri-Kansas-Texas R. R. Co.
MP	Missouri Pacific R. R. Co.
SP	Southern Pacific Transportation Company
SSW	St. Louis Southwestern Ry. Co.

** Total eliminates double counting of single accidents reported by more than one railroad.

Accidents per Million Train Miles
Class 1 Railroads
(1984)

TEXAS

	A	B	C
Railroad*	Train miles(TM) Millions	Accidents	Acc/TM(million) (B/A)
ATSF	10.429	45	4.314
BN	4.269	41	9.604
KCS	.795	12	15.094
MKT	1.953	60	30.721
MP	9.203	63	6.845
SP	8.338	162	19.429
SSW	1.242	20	16.103
Total	36.229	383**	10.571

NATION

A	B	C
Train miles(TM) Millions	Accidents	Acc/TM(million) (B/A)
532.900	3,712	6.965

* Key:

ATSF	Atchison, Topeka & Santa Fe Ry. Company
BN	Burlington Northern R. R. Co.
KCS	Kansas City Southern Ry. Co.
MKT	Missouri-Kansas-Texas R. R. Co.
MP	Missouri Pacific R. R. Co.
SP	Southern Pacific Transportation Company
SSW	St. Louis Southwestern Ry. Co.

** Total eliminates double counting of single accidents reported by more than one railroad.

Mr. **Coughlin**. Mr. Chairman, no questions.

Mr. **Wolf**. Is that because of older cars or other than the fact that you have a rolling stock, older railroads versus other parts of the country?

Mr. **Jobe**. What we have for the seven-year period, ending December of 1985, number of maintenance of way and maintenance of equipment personnel employed by class one railroads, operating in Texas, has really been reduced.

So, we think that railroads are deferring maintenance in order to achieve current operating revenues like they need to.

Mr. **Wolf**. Thank you very much.

Mr. **Lehman**. The information we receive from you will be placed in our files if we don't have time to get it in the hearing record. We would like to have it for our files.

Mr. **Jobe**. Thank you.

Mr. **Lehman**. Thank you very much.

[The prepared statement of Mr. Clark Jobe follows:]

Testimony of
Clark Jobe
Commissioner

Railroad Commission of Texas

Before the
United States House of Representatives
Committee on Appropriations
Subcommittee on Transportation

Thank you for the opportunity to appear at this hearing to express the views of the Railroad Commission of Texas concerning the Federal Railroad Administration's state/federal railroad safety program.

Texas entered the state participation program in 1983. Since that time, railroad equipment accidents have decreased by 15.3% in the State of Texas. We believe that state participation is responsible for this improvement.

Railroad transportation is important to the Texas economy. Class I railroads own in excess of 13,000 miles of main track within our state, nearly 8% of the nation's total trackage. Railroad operations in Texas also generated 8% of all revenue ton miles in 1984. Forty-one percent (41%) of the rail tonnage originated in Texas consisted of chemicals and petroleum products. At the national level, these commodities accounted for only 8.8% of all rail tonnage originated. In 1984, twenty-two percent (22%) of the nation's total chemical and petroleum product rail tonnage originated in Texas.

Due to the magnitude of Texas rail operations and the volume of hazardous materials moving within the state by rail, the Commission must be involved to the maximum extent possible in monitoring the safety performance of Texas railroads. This can be possible only if Congress approves continued funding of the rail safety grant-in-aid program.

The combination of state and federal matching funds has enabled the Commission to employ ten (10) inspectors. In calendar year 1985, we inspected 3,063 miles of track per inspector and found an average of 1,192 defects per inspector. During that same time period Railroad Commission personnel inspected an average 6,687 freight cars and found 8% of the cars inspected to be defective. 265 operating practices inspections were conducted, and we have identified over 241 deficiencies. We also participated in 51 complaint investigations and submitted 70 violations to FRA for prosecution under the Federal Claims Collection Act.

This activity occurred in the first year that all Commission inspectors were trained and certified. We expect our inspection activity to increase if federal matching funds are appropriated for fiscal year 1986.

Unfortunately, Texas state revenues have declined with the price of oil and the pace of oil production. If federal matching funds are not appropriated, we will be forced to eliminate five (5) of our ten (10) railroad safety positions.

I am here today to ask you to include $3,500,000 in the Federal Railroad Administration's 1987 budget to continue state railroad safety programs. Of that amount, based on current percentages, Texas would receive about $265,000.

At this juncture, I believe it appropriate to address recent testimony of the Federal Railroad Administrator, Mr. John Riley, concerning the state safety program.

In a recent hearing, Mr. Riley implied that the federal rail safety program is more efficient than state safety programs. He cites a cost-benefit analysis based upon questionable data obtained in a telephone survey conducted in 1984. The principal assumption of that analysis was that reduction of 50% in funding would not result in a 50% loss of safety inspectors.

The 1984 survey is in reality a convenience sample with a low confidence level. Even if the data were valid in 1984, it is not descriptive of today's economic and political realities. The use of 1986 dollars and 1984 data further disqualifies the FRA sample. In addition, the 1986 cost figures are inflated, exceeding available funding by nearly 10%.

Nevertheless, the Administrator's conclusion is that each state inspector funded by the state participation program costs the Federal Government $106,000. For comparison purposes, Mr. Riley cites a figure of $65,000 as being the cost of one federal inspector.

I would like to perform the same analysis using Texas as the base case. This analysis differs, however, in that assumptions will be replaced by the following facts:

1) Texas will eliminate 5 rail safety inspector positions, or 50% of its current staff if federal grant-in-aid funding for state participation is withdrawn;
2) Texas has requested federal funding totalling $264,386 to support a 10 inspector program in FY 1986;
3) The total annual cost per position for each Texas inspector, including overhead and administration, is $52,877;
4) Based upon the 1986 FRA budget, the total annual cost to fund Federal Enforcement and the Office of Safety Administration is $26,164,000. This budget supports 325 federal inspectors. The cost per federal inspector is $80,505 (as compared to FRA's calculation of $65,000 per inspector).

The federal cost per federal inspector is 52% greater than the federal cost of a Texas inspector. The incremental benefit of continuing this federal grant program in Texas, therefore, would be 5 state inspectors at an FY86 cost of $264,386, or $52,877 per inspector, versus replacing them with 5 federal inspectors at $80,505 each for a total of $402,525.

FRA also states that federal inspectors are a more highly trained and experienced group, citing an average of 15 years railroad experience for the FRA inspection force. The Texas inspection force has an average of 14 years railroad experience. In addition, Texas inspectors average 14 years of education, which I believe would exceed the average for federal inspectors. FRA must think that Texas inspectors are well qualified because they have hired two of our inspectors and have attempted to recruit others.

The Railroad Commission is also concerned about the Federal Railroad Administration's refusal to allow state inspectors to participate in Operation Lifesaver, the grade crossing safety educational program. We believe that state inspectors can make a tremendous contribution to this program, particularly in Texas, a state which leads the nation each year in grade crossing accidents and fatalities. I ask that the subcommittee make a positive statement in support of grade crossing safety and direct FRA to allow states to become active in Operation Lifesaver.

We believe that this program benefits the State of Texas by providing additional rail safety enforcement personnel. But the State of Texas has not been and will not be the only beneficiary of this federal-state program. I would like to list what I believe to be some of the material and qualitative benefits which the federal government will realize in Texas due to state participation:

> 271,089 rail carloads of chemicals originated in Texas in 1984. An adequately staffed

program can help to insure that the operation and integrity of equipment and rails in Texas allow safe delivery of these commodities to primarily out-of-state destinations shipments are safe. A major derailment of a chemical-laden train in Texas is not only a hazard for the local population and environment, it imposes costs in the form of delayed delivery and wasted resources on the buyer and on ultimate consumers of manufactured products.

Commission inspectors have been deployed in areas where FRA inspectors are not located. This deployment saves the federal government considerable travel time and expense. For example, the Commission has two (2) inspectors located in Lubbock. The closest federal inspector is located in Fort Worth almost 300 miles away.

The deployment of state inspectors around the state has resulted in smaller inspection territories, allowing federal inspectors to conduct more thorough and more frequent inspections. Smaller inspection territories will also allow FRA to direct more inspection

> resources to broad-based system assessments and special safety investigations.
>
> With state involvement for 50 cents on the dollar the federal government gets 10 highly qualified railroad safety inspectors in Texas who are working to ensure that railroads conform to federal regulations.

I applaud DOT's budget request for state grant funding of the Pipeline and Motor Carrier Safety Programs. I am concerned that DOT has turned its back on an equally vital cost-sharing transportation safety program. I respectfully ask that the subcommittee correct this inconsistency.

Texas will not bear the financial burden of completely funding 10 rail safety inspectors -- and it should not be expected to do so. The regulations that these inspectors enforce are federal. Even though the Commission has authority to set rail safety standards, under federal law the FRA regulations preempt much of [illegible] authority.

Any reduction of rail safety inspection forces at this crucial time would be a mistake. Railroad safety regulation is a responsibility which should be shared by federal and state governments; the economic realities are that it must be shared. I hope this subcommittee agrees with this opinion and will appropriate funds to keep the federal/state partnership working effectively.

WEDNESDAY, APRIL 23, 1986.

FEDERAL AVIATION ADMINISTRATION

WITNESS

A. PASCAL MAHVI, CHAIRMAN OF THE BOARD, AVIOTEX VENTURES

Mr. LEHMAN. Mr. Mahvi.

Mr. MAHVI. My name is Pascal Mahvi. I am Chairman of the Board of Aviotex Ventures, a California company which provides computerized weather and flight planning information to pilots.

In addition, I have been a pilot for 17 years and have logged over 2,500 hours in a variety of aircrafts ranging from helicopters to jets.

First, may I express my sincere appreciation for the opportunity to present my views regarding the status of federal programs relative to the automation of Flight Service Station, commonly referred to as FSS.

As a pilot, I have personally experienced the delays and inadequacies of the FAA's current weather briefing system. It was these "inadequacies" that led me to enter the AVCOMPS business by founding Aviotex, and these same inadequacies have brought me here today to discuss several important concerns relating to FSS modernization and consolidation.

Let me begin by summarizing my conclusions:

First, for reasons of pilot safety, FSS consolidation should not occur until the automatic graphic and alphanumeric weather presentation portion of Model II and DUAT specification is fully operational at the FSS.

Second, the FAA's current program of developing the automatic graphic and alphanumeric weather presentation portion of Model II and DUAT specification internally should be abandoned.

Instead, this automatic system should be procured by the FAA from the private sector, where it is fully operational and currently available at a fraction of the cost of internal development.

It is now clear that cost-saving, and thus FSS consolidation, is a fact of government life.

It is equally clear that such consolidation cannot take place at the cost of pilot safety.

This view has been endorsed by Congress, which has prohibited the FAA from closing any additional FSS in 1986 until the Model I weather information presented to FSS's is satisfactorily demonstrated.

Furthermore, the statutory "equal or better" concept provides that no consolidation should take place until the service to be provided is equal to or better than that existing under the original system.

These standards have been widely summarized by the slogan "no consolidation without automation."

Despite these Congressionally mandated standards, recent experiences (including substantial delays, the loss of flight plans, and the filing of a number of grievances by FSS service personnel relating to the new Model I equipment), at the three FSS where Model I is now deployed (Dayton, Cleveland and Bridgeport, Connecticut), as well as the FAA's demonstrated desire to close a number of FSS in the very near future, indicate that consolidation is, in fact, proceeding prior to the required successful automation of the FSS.

This trend of consolidation before automation illustrates two points. One, the FAA is under severe pressure to move forward with FSS consolidation. And two, the FAA's attempt to develop the automatic weather presentation portion of Model I and Model II specifications internally over the last several years at a cost well in excess of $100 million or more has simply not been successful.

It is not my intent, nor is it productive, to be critical of the FAA in this regard, as I am not familiar with the details of the agency's past effort.

However, I do believe that it is time to give careful and positive consideration to an alternative method of implementing the automatic weather presentation portion of Model I and Model II, which includes automatic color graphics, DUAT capability and flight plan filing with ATC.

Specifically, I believe that the FAA should acquire this Model II portion from the private sector, bypassing Model I entirely.

Should this happen, the government would save the taxpayers several hundred million dollars.

At this moment, private pilots across the country are purchasing high quality weather graphic and alphanumeric information (along with flight planning and a variety of related services) from AVCOMPS such as WSI, Lockheed, Kavouras and my company, Aviotex.

A number of these AVCOMPS companies provide weather information in graphic and alphanumeric format that satisfies (or in some cases exceeds) the Model II criteria.

In fact, at this point, I should note that the FAA apparently has decided to eliminate the graphics aspects of its Model II specifications.

Thus, if this is indeed true, we are in the peculiar situation of requiring FSS briefers to wait until the mid-1990's (or later) to receive non-graphic computerized weather information, while pilots can currently purchase full color, high quality graphic weather information from private AVCOMPS at a nominal cost.

Again, let me emphasize that these AVCOMPS weather services are not speculative nor in the research and development stage.

This portion of Model II exists; it is a reality in the private sector. Pilots have been relying on AVCOMPS weather information for years.

Furthermore, there is even a precedent for government reliance on AVCOMPS weather.

For several years Aviotex's sister Canadian company, World Weatherwatch, has been providing full color graphic weather information to Canadian pilots under an exclusive contract with the Canadian Department of Transportation.

And, based on the recent FAA directive to FSS regions to procure graphic weather from AVCOMPS until its non-graphic system is up, the FAA's Southwest Region has recently become a subscriber to one of Aviotex's largest competitors, WSI, and is obtaining a limited amount of color computerized weather graphics for the cost of a previously planned, now obsolete closed circuit TV system.

This directive, however, does not attempt to standardize the service, resulting in the nine regions to procure what they want independently.

The advantages of reliance upon the private sector are clear. The FAA could implement a full-scale automated weather graphic and alphanumeric system for the FSS (bypassing Model I entirely) within a matter of weeks as a subscriber to one or more existing AVCOMPS.

This would substantially increase the FSS briefer's productivity, thereby allowing them to serve more pilots at a reduced cost.

Furthermore, within six months, after selection of a particular service, the FAA's system could be entirely self-contained—that is, the system software could be installed on FAA computers at a fraction of internal development cost and operating through dedicated FAA equipment and communications lines.

Once implemented, the FAA could cause the full Model II system specification to be integrated to the automatic graphic, DUAT, and flight plan filing capability at a normal pace.

Exactly how should the FAA procure this automated graphic and alphanumeric weather portion of Model II from the private sector?

Although there is certainly room for more thought on this issue, I would suggest that there be an initial phase where the FAA's nine regions subscribe to several top candidate AVCOMPS to test their services on a limited basis.

After the end of the test period, the FAA would select the best service and subscribe to it on a nationwide, full-scale basis.

Meanwhile, that AVCOMPS' software would be installed on FAA equipment. When set-up is completed, the FAA would terminate its subscription and commence operation of its own self-sufficient system.

After a sufficient period of time to demonstrate conclusively the operational safety of the new system, FSS consolidation could proceed at a rapid pace.

Alternatively, the FAA could simply implement this automatic portion of Model II system through permanent subscriptions to one or more AVCOMPS' services, depending upon the extent to which the FAA wishes to take advantage of the economics of private sector activities.

I might add that the private sector can implement a DUAT program today. My company is deploying its DUAT's nationally as I speak.

To summarize, we are all in the fortunate position of dealing with known situations, rather than conjecture.

On the one hand, regrettably, the FAA's internal development of Model I and II is simply not succeeding.

At best, continuation of the existing development program will delay FSS consolidation for many years.

At worst, given the pressures to consolidate, consolidation will precede adequate automation and flight safety will suffer, thereby increasing weather related aircraft accidents and causing further havoc with liability insurance.

On the other hand, automatic graphic and alphanumeric weather information and flight plan filing is fully operational on a nationwide basis in the private sector, and could be acquired by the

FAA for a fraction of the cost of completing the internal development of the Model I system alone.

Furthermore, operating under a careful implementation schedule that provides for competitive testing, full installation of software on the FAA computers, and a post-implementation testing period, FSS consolidation could be initiated on a massive full-scale basis, with complete protection of flight safety in under two years.

I thank you for the opportunity to appear before you today.

Mr. **Lehman**. Thank you very much. You certainly have an interesting background, from helicopter pilot to head of a large private sector operation.

How much do your people charge for this information?

Mr. **Mahvi**. We charge the pilots that subscribe to us. We charge them $30 a minimum per month charge and a 60-cent per minute connect time. They get credit towards the $30.

We have the cheapest service and best service in the market today, in my opinion.

Mr. **Lehman**. Do you think this rather reasonable charge is a disincentive for pilots to ask for this weather information?

Mr. **Mahvi**. Well, there is a number of pilots out there that, because of delays in receiving weather information from the Weather Service, because they are on staff don't have Model I, Model II, they do subscribe to the service Aviotex data plan in order to expedite their trip.

Mr. **Lehman**. You have been a pilot for 17 years, and you have flown helicopters. Now you are head of a company.

What are you going to do next?

Mr. **Mahvi**. Thank you, sir.

Mr. **Coughlin**. Thank you, Mr. Chairman.

You certainly make a very compelling case and very interesting proposition.

Thank you very much.

Mr. **Mahvi**. Thank you, sir.

Wednesday, April 23, 1986.

FEDERAL AVIATION ADMINISTRATION

WITNESS

DAVID S. FULTON, DIRECTOR, OFFICE OF AERONAUTICS, TENNESSEE DEPARTMENT OF TRANSPORTATION; PRESIDENT, NATIONAL ASSOCIATION OF STATE AVIATION OFFICIALS

Mr. **Lehman**. Mr. David Fulton.

Mr. **Fulton**. Thank you, Mr. Chairman.

My name is David Fulton. I am Director of Aviation for the State of Tennessee and currently the President of the National Association of State Aviation Officials.

I hope you are familiar with our organization. We are also a governmental entity, just like the FAA in many ways, and many times we are confused with the FAA, but we have an equal responsibility for ensuring an adequate aviation system in this country, along with FAA.

Lately we have been feeling the responsibility grow, and I think there are many reasons.

Back in 1982, we were very supportive, as were most aviation groups, of re-enactment of taxes on the aviation users, with assurance from the federal government that we would get adequate returns to ensure that those developments needed would be made.

Those commitments were never kept, and we failed the responsibility, to a large degree, because we encouraged many of our users to support to legislation.

Now, we see even more dark clouds on the horizon. We see the effects of Gramm-Rudman coming. We see the attempts slowly but surely; and secondly, I hope that will be made, to get the trust fund removed from the unified budget, to give us some promise of adequate return.

We realize that these things will not be easy. We know that resource allocations will have to be made.

FAA rightfully will have to put their primary emphasis toward safety and capacity needs, as they must, and that is why we feel that the states must assume more responsibility in the future, and we intend to, and ensure that an adequate aviation system is developed in this country.

Right now, we can foresee that monies for airport development will continue to dwindle. Now they are in excess of close to $3.5 billion, of requests for federal funding for airport improvements that are going unmet.

FAA is reducing their manpower in the airport improvement division almost 40 to 50 percent in the last ten years or so.

So, again, that is why we feel that we must accept responsibility to ensure airport improvement goes forward.

There are several ways we can do it. We have already committed to FAA that we are ready to assume responsibility presently for administration of airport grant programs for non-primary relief and general aviation airports. By "immediately", we mean for Fiscal Year 1987.

We think it can and will work. We have no intention if this is successful, to alter the standards which are presently required for airport improvements.

But by doing this it would allow the FAA to put their resources and manpower where it will have to go, for safety and improving airport capacity needs.

It will also very importantly save federal dollars. Right now, state governments and federal governments are duplicating services in many ways.

And, in fact, many states have larger budgets for airport development than they receive from the federal government, particularly for general aviation.

Last week, in my state, legislation was passed which will result, beginning next July, in an allocation of between $15 million and $20 million a year for aviation in our state.

Right now, the state entitlement, for example, for general aviation, in our state is approximately $1.5 million.

This money will be put into what I call a real trust fund. Every dollar of that money will be returned to aviation, and none of it will be used to off-set other shortcomings of state government and in other areas.

We have the expertise in our states to do these programs, and we feel that it is important that we be allowed to do it.

It is not a new idea. States for some time have been ready to take on increased responsibilities. Presently, there are 40 state agencies that are already contracting off the work that had previously been done by the FAA, such as airport safety inspections.

We have small agencies in many states which has been a criticism in the past that we might not be capable of undertaking this large administrative role.

But, at the same time, most states are a division of large Department of Transportations which have adequate manpower and capacity to do these things.

We were tested back in 1978 with a demonstration program to take a look at one pilot station where states could administer segments of airport improvement programs, and it was found successful.

Last and most importantly, many states are doing this. In effect, in 24 states, presently, have states legislation which requires those states to at least administer a certain portion of federal funds for aviation that comes into their states. Additionally, ten states are required to act as sponsors.

So, I guess, in summary to my comments, the states feel responsible for some of the shortcomings that have transpired in the past.

We are determined to ensure to our constituency that any commitment that we make in the future will be kept. We are determined to see that an adequate program for airport development and maintenance continues, and we are very interested in assisting FAA in a partnership role to see that this is done.

I encourage you in your future deliberations, or in legislation, to consider strongly the role of what state aviation can and are willing to do.

I think it is paramount if we are going to have a successful aviation program.

I appreciate again the opportunity for being here, and I would be happy to attempt to answer any questions you might have.

Mr. LEHMAN. Do all states have an aviation agency, either freestanding or part of its Department of Transportation?

Mr. FULTON. Yes, they do.

Mr. LEHMAN. We want to help you. We want to be supportive, but we have budget constraints. These budget constraints primarily came with the Gramm-Rudman package, and I just want to make you aware that eight or nine of our Tennessee members voted for Gramm-Rudman.

I am not holding you responsible for that, but that is one of the reasons that you are up here, because of problems created by Gramm-Rudman.

Mr. FULTON. I certainly don't mean to be overcritical of what the federal government has done in the past, but time after time, we have been promised that if our aviation people just sign on for the next legislation they will get back an equitable return.

And it didn't happen. The last time we were assured it would. I think the states should be responsible. That is why we made a large effort to achieve the state funding, as I have said, $15 million, $20 million a year.

In the past our state has put $2 million a year in aviation, so we feel some responsibility, too.

Mr. LEHMAN. You have a hub airport in Nashville, now?

Mr. FULTON. Yes, sir.

Mr. COUGHLIN. No questions, Mr. Chairman.

Mr. LEHMAN. Thank you very much, and we appreciate your being here.

[The prepared statement of Mr. David S. Fulton follows:]

nasao
NATIONAL ASSOCIATION OF STATE AVIATION OFFICIALS
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TESTIMONY OF THE

NATIONAL ASSOCIATION OF STATE AVIATION OFFICIALS

Before the

SUBCOMMITTEE ON TRANSPORTATION AND RELATED AGENCIES

HOUSE COMMITTEE ON APPROPRIATIONS

Concerning

FAA 1987 APPROPRIATION

April 23, 1986

Presented by
David S. Fulton, Director
Office of Aeronautics
Tennessee Department of Transportation
President
National Association of State Aviation Officials

The National Association of State Aviation Officials represents the service agencies in the various states as well as the Aviation Departments of Puerto Rico and Guam. Its members are the Aeronautics Commissions and Departments created under the laws of states to foster, develop, and regulate aviation at the local and state levels.

The primary purpose of NASAO as an association is to foster and encourage cooperation and mutual aid among the States, as well as Federal and Local governments, in developing both State and National air transportation systems that will be responsive to regional, state and national needs.

Mr. Chairman and members of the Subcommittee:

I welcome the opportunity to appear before you today to provide comments on the FAA's Fiscal Year 1987 appropriations request. I am David S. Fulton, President of the National Association of State Aviation Officials and the appointed Director of the Tennessee Department of Transportation's Office of Aeronautics.

NASAO'S primary purpose as an organization is to foster and encourage cooperation between the states, as well as the federal and local governments in the development of an air transportation system that will be responsive to all needs. Our individual members are charged with the responsibility of fostering, developing, and regulating aviation at the local and state level. We appear before you today not only to comment on the FAA's budget request, but also to outline an opportunity to save federal dollars within aviation programs.

NASAO is truly concerned about the ramifications of the Gramm-Rudman-Hollings legislation's impact on the DOT, and FAA budgets. As details of the impacts on staffing and programs become available, we are further convinced of our earlier conclusions that GRH, added to the recent annual decrease in appropriation requests will further chip away at the ability of FAA to cope with necessary commitments to future aviation system safety and capacity.

Last month, NASAO testified before the House Aviation Subcommittee on the effects of Gramm-Rudman-Hollings and the 1987 DOT Budget request on aviation programs. At that time, we outlined a number of methods to increase the involvement of states in aviation programs which would result in cost savings to the federal government. We have attached a copy of that testimony to these comments for use in this Subcommittee's deliberations.

Below we will comment on specific FAA appropriations requests and the use and future of the Aviation Trust Fund.

Aviation Trust Fund and the Unified Budget Process

In 1982, NASAO joined with most members of the aviation community, when we acknowledged the fiscal development requirements to take the United States aviation infrastructure into the next century. We agreed at that time to the concept of the direct users of the system paying the majority of the development costs for the modernized system. Now, unfortunately, NASAO must point to the history of the last four years which have proven our collective decision to "trust" this funding mechanism a wrong one. The violation of the "trust" fund concept to provide the appearance of a smaller federal deficit is an insult to the aviation community and those of us responsible for carrying out governmental mandates to assure an adequate air transportation system.

With the Fiscal 1986 and 1987 budget requests, the facilities and equipment authorizations have been underfunded more than $1 billion since 1982. The trust fund contributors - and the entire nation - will have been denied over one-half billion dollars in airport improvements. Once again in the 1987 request, the Administration has asked for an elimination of the "penalty clause" to permit a higher level of operations and maintenance funding from the Trust Fund and an elimination of payment of interest on the Fund. The explanation provided by the FAA for the latter move - that it "compensates general taxpayers for contributing more than their share in past years" - is completely transparent and founded in a philosophy which the states do not accept. The general public and this nation has benefited greatly from the development of the world's finest air transportation system.

While NASAO has accepted a use of the Trust Fund for some O & M expenses, we do not accept the Fund's unlimited use in this manner when the intended purpose of the Fund is going unmet. The Administration seems to have found a solution to the transportation community's complaint about the Trust Fund surplus. The 1987 request reduces the year-end uncommitted balance to $1.4 billion by eliminating interest payments and funding 75% of the FAA operations cost from what Congress instituted as a "capital improvement pot." The state and local governments are cognizant of airport and airway improvements going unmet. We do not believe that the Administration's method of Trust Fund drawdown is the proper one.

While NASAO is fully sympathetic to the plight of the federal deficit - many states being confronted with the identical situation - we do not believe that the user-financed Trust Fund should be held hostage to the Unified Budget problems. For this reason, NASAO supports S.1979, H.R.4191, and any other effort to remove the Aviation Trust Fund from the Unified Budget Process.

The aviation community is not alone in its recognition of the effects of these shortfalls in transportation funding. The interrelationship of aviation to other transportation modes and the interdependence of all modes being developed for the future is evident in the policy positions of many transportation related organizations:

* The American Road and Transportation Builders Association states: "The Trust Fund is a dedicated funding source collected from aviation users to pay for airport and airway improvements. ARTBA supports the continued dedication of the Trust Fund-including interest accrued on the fund."

* The American Association of State Highway and Transportation Officials: "The federal government should retain the responsibility of collecting Airport and Airway Trust Fund revenues. Taxes collected from system users and placed in dedicated trust funds should be promptly and fully used to accomplish the purposes for which they were collected.

"Interest which accrues to Trust Fund monies is an integral part of that Trust Fund, and should, along with the Trust Fund monies, be dedicated only to those uses which help accomplish the goals for which the Fund exists. Airport and Airway Trust Fund surpluses should be drawn down by appropriating the funds for the purpose for which they were collected: improvement of the airport and airway system.

"Congress should remove trust-funded programs from the Unified Federal Budget.

"The Airport and Airway Trust Fund should not be subjected to the expenditure ceilings used in the Unified Budget process to help reduce the national deficit."

* The recent third report of the American Transportation Advisory Council, a coalition of associations and private-sector organizations concerned with the future of transportation in the U.S., stated that trust funds "are sound financial mechanisms for the improvement of the nation's transportation system. They have enabled important and sorely needed transportation improvement programs to move forward without impacting general revenues.

"Under the present budgetary process, trust funds are subject to the annual budget resolution approved by the Congress. As such, they also are subject to an expenditure ceiling, device used to limit the overall budget levels. Consequently, the capital program improvements envisioned, and used as the basis for enacting the user fees in the first place, suffer from subtantially reduced financing. Programs financed through dedicated funds, the user fee revenue system, do not add to the overall deficit since they are not part of the general revenue.

"Congress should examine the user fee mechanism and remove these dedicated funds form the unified budget process. Those who pay these "user fees" should be guaranteed that they are disbursed and used for the programs for which they are intended, without any restriction or fiscal limitations.

"The American Transportation Advisory Council does not believe the current tax should be reduced or interest from the Airport Trust Fund diverted into the General Fund. The integrity and the original intent of the Airport and Airway Trust Fund must be maintained. User fees collected for airport safety and capacity development should be used only for those purposes. Limited funding of operational and maintenance expenses from the Trust Fund should be made only after the primary airport system needs are met."

Airport Aid Program

The extremely important areas of future planning, airport and total system development, and preservation, as well as research, have suffered during this period of restructuring and reprioritization. The federal fiscal situation has only added another layer of incentives requiring innovative approaches to preserve and expand the air transportation infrastructure. There is a need for creative methods by all levels of government to accommodate the service needs of the users.

We are cognizant of the pressure on the federal government to assure the continued safety of the current system even if this requires setting aside concerns about the future. FAA informed the House Aviation Subcommittee last month that they had requested the full airport authorization level of $1.017 billion in their submission to the DOT last fall. Unfortunately, the Administration does not agree within larger budget priorities as to the funding needs of the National Plan of Integrated Airport Systems (NPIAS).

Last week Administrator Engen stated that he is dangerously low on operating funds. One possible solution he forwarded is "reducing the flow of air commerce in the U.S." FAA has briefed the state agencies on the possible cuts in contracts to collect airport safety data and federal assistance for airport master planning and system planning updates. The FAA's airport program staff is already dwindling and will no doubt continue to be a target for additional cuts, further reducing the FAA's capability to provide for the preservation of the Congressionally-mandated NPIAS. Many "future-looking" programs, such as FAA's Project Safe - to restructure the current flight standards organization to better oversee the evolving demands within a deregulated air transportation industry - rightfully belong within the federal government aegis.

However, there are many other programs that might be better or equally served - with less federal expense - by contracting to the private sector or transferring to other levels of government. The state governments are particularly well suited, based on many years of experience, for taking on a greater role in airport improvement and preservation as well as aviation system planning. Every state has some level of involvement in aviation programs. Most have the experience of administering state airport development programs, many programs being larger than the state portion of the federal program. Most states also have more than adequate resources and experience in state aviation system planning.

There have been questions in the past, that will no doubt be repeated as to how the states can save federal dollars, and why the states are qualified. Our response to those questions are provided, in part, in the attached testimony before the Aviation Subcommittee (pages 5-7).

Facilities and Equipment

The decrease in F & E budget requests and appropriations levels is also of great concern to the states. The further reduction of the request from 1986's $993 million to 1987's $825 million could well indicate that fewer facilities will be placed in the field, resulting in states having to provide the shortfall in needs to assure the utility of the National Airspace System. It is for this reason that the states have become actively involved in a number of other "self-help" projects to provide expanded capabilities to the aviation system. One major effort has included a partnership project with the FAA to exploit the existing LORAN-C signals for instrument approach procedures. Other efforts have been conducted largely independent of FAA involvement, such as state projects to test automated pilot weather briefing systems and automated weather observing stations. LORAN C will be discussed here and weather systems later as a part of comments on R & D.

LORAN-C

Excellent progress has been made in the last year in the joint effort between the FAA and the states to develop approved instrument approach procedures utilizing LORAN-C. Significant in the FAA's budget request is the fact that funding is a part of F & E and Operations - not R & D. The FAA recognizes that further feasibility studies are not required. The opportunities provided by the development of LORAN approach procedures that could increase the utility of hundreds of "visual-only" airports around the country is with us today. It is estimated that more than 25,000 aircraft operators have already invested in airborne LORAN equipment because of its current advantages in visual and enroute instrument navigation.

There are considerable cost advantages to the federal and state governments in filling the mid-continent gap of signal coverage. As mentioned above, states are eager to provide increased utility for the airports within their jurisdictions. Competition for federal F & E or Airport Improvement money is fierce, and will apparently continue to get worse. The weakest area of LORAN signals is through the mid-west and lower Rocky Mountain region. FAA's relatively modest request for funding to reimburse the U.S. Coast Guard (the operator of the U.S. LORAN system) to provide transmitters, is essential to the continuation of this important project. NASAO has begun discussions with its Canadian counterpart organization - which is also actively pursuing the use of LORAN for general aviation and air carrier use in remote areas - to determine if costs can be reduced for both countries through planning coordination and careful placement of the needed transmitters.

NASAO also supports two other minor expenditure requests associated with the LORAN project: $425,000 for equipping various FAA aircraft with airborne equipment and $1.5 million for a continuation of a multi-year effort to perform Airport Datum Monument surveys. The latter project is actually intended to serve any future earth-referenced navigation systems.

Operations

As mentioned earlier, NASAO's primary concern with the 1987 Operations request is the funding of 75% of the request from what was originally constituted to be a "capital improvement" fund. We fully appreciate the dire need for operations funding to keep the system in safe motion. We have no quarrel with - and in fact, approve of - the DOT's Fiscal 1986 Supplemental request of $80 million and the FAA $2.8 billion request for 1987. However, our concern for the capital needs of the NAS Plan and the NPIAS create our objection in concept as discussed above.

Two areas deserving of special mention within the Operations request is the staffing of maintenance technicians and the periodic flight checking of navigational aids. While more automated and remote monitoring of facilities is being utilized, we must be sensitive to the FAA's requirements for vital staffing in an aging technician workforce. The states have been assured by the Administrator that flight check requirements will not be reduced and non-federal facilities, such as those operated by the states, will receive uninterrupted service. This is essential to the continued safety of the statewide air transportation systems.

Research and Development

Research is an area heretofore not thought to involve state expertise. This is no longer the case. Many states, as a result of their need to economize and as a part of state DOT efforts, are on the leading edge of bring automation to several aviation functions. There are two particular areas, which are appropriate for discussion here.

Pavement Management Research

The highest single priority within the stewardship of the nation's airports is - and should be - the preservation of the existing facilities in a safe condition. The accomplishment of this goal provides a positive example of the cooperation that is possible between the federal and state governments. Under contract to the FAA, 40 states participate in the airport safety data program. This program includes site inspections to assess the condition of the airport. Of course, this program is well suited for the states since most states would otherwise be visiting the airports to accomplish similar state responsibilities for airport and aviation system oversight.

The states have played an active role in the advancement of the science of facility pavement management and evaluation. As the largest collective owner of airports in the nation (33 states own and/or operate airports), and the agencies responsible for state aviation system plans, NASAO members are vitally interested in preserving the existing airport network. In conjunction with and building on the experience of the Army Corps of Engineers and the states' Departments of Transportation, a system has been developed to exploit automated techniques to more effectively manage and preserve airport pavement. The states are involved in the design and testing of these methods for airports of all sizes. We commend the FAA for their efforts in the program, and appreciate that the users of the product - in this case, airport management - have been involved in the design and test phase. We support the need for this program within the FAA research budget request. The $3.133 million request for Airport/Airside/Landside research - of which pavement management work is only a portion - is a small investment now for saving considerable amounts in airport reconstruction later.

Automated Weather Equipment

This Subcommittee is well aware of the current status of the FAA's Flight Service Station automation project. NASAO shares the frustration of the entire aviation user community over the painfully slow introduction of current-generation technology into the FSS network. Since last summer, the entire Model II phase of the program - which would literally place automation in the hands of the users - has been on permanent hold.

Meanwhile, a number of states, through their aviation agencies, have augmented the federal FSS system by providing a network of pilot self-help computer terminals at well-travelled airports. The State of Minnesota placed 53 terminals at 49 airports over three years ago. Since that time, these facilities have provided 24-hour access to aviation weather for pilots, as well as color weather radar displays to the general public through a Minneapolis-St. Paul public television station.

Wisconsin has also been a leader in utilizing available technology. In 1984, the Wisconsin Department of Transportation developed a statewide system of 18 weather access terminals using private sector contracted services. The State's Bureau of Aeronautics is currently studying the options available to make the test program a permanent service by reducing the communications costs.

NASAO has informally discussed the opportunities available to the federal government as a result of the state testing programs. Many other states are eager to become involved in a FAA/state partnership program. Some states will go forward without the FAA. Our suggestion to the FAA - and this Subcommittee - is that our experience be made a part of the FAA implementation plan. We believe more emphasis should be placed on the use of "off-the-shelf" technology.

Conclusion

NASAO appreciates the opportunity to provide this information to the Subcommittee, and welcomes any questions you may have.

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TESTIMONY OF THE
NATIONAL ASSOCIATION OF STATE AVIATION OFFICIALS
Before the
SUBCOMMITTEE ON AVIATION
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
Concerning
THE EFFECTS OF GRAMM-RUDMAN-HOLLINGS
on the
1987 DOT BUDGET
March 12, 1986

Presented by
David S. Fulton, Director,
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Tennessee Department of Transportation
President
National Association of State Aviation Officials

The National Association of State Aviation Officials represents the service agencies in the various states as well as the Aviation Departments of Puerto Rico and Guam. Its members are the Aeronautics Commissions and Departments created under the laws of states to foster, develop, and regulate aviation at the local and state levels.

The primary purpose of NASAO as an association is to foster and encourage cooperation and mutual aid among the States, as well as Federal and Local governments, in developing both State and National air transportation systems that will be responsive to regional, state and national needs.

Mr. Chairman and members of the subcommittee, I welcome the opportunity to appear before you today to provide comments on the effects of the President's budget and Gramm-Rudman-Hollings on aviation programs. I am David S. Fulton, President of the National Association of State Aviation Officials and the appointed Director of the Tennessee Department of Transportation's Office of Aeronautics.

NASAO'S primary purpose as an organization is to foster and encourage cooperation between the states, as well as the federal and local governments in the development of an air transportation system that will be responsive to all needs. Our individual members are charged with the responsibility of fostering, developing, and regulating aviation at the local and state level. We appear before you today to outline an opportunity to save federal dollars within aviation programs that surely must and will be cut in an effort to cope with the overwhelming federal deficit.

NASAO is truly concerned about the ramifications of the Gramm-Rudman-Hollings legislation's impact on the DOT, specifically the FAA budget. While details of the impacts on staffing and programs are still sketchy at best, we know that any reductions, added to the recent annual decrease in appropriation requests will further chip away at the ability of FAA to cope with necessary commitments to future aviation system safety and capacity. It is for this and other well-documented reasons, that NASAO has long favored any effort to remove the user-financed Aviation Trust Fund from the unified budget.

In the past, NASAO and its member state service agencies have volunteered to cooperate in determining the solutions to these and other problems. However, the constant erosion of the present and future capabilities of the federal government to meet this challenge requires a new look at the well-defined problem. We believe the time is now for all states with the proven capability to help save federal dollars by administering certain provisions of the federal airport aid program which will relieve the federal government of that burden. For reasons detailed below, we have approached the FAA and DOT to quickly develop in conjunction with NASAO a capability to transfer this responsibility under the current law to the state service agencies that have the immediate capability to accept it.

The states recognize the need in these austere times for the federal government to shift its resources and capabilities toward the most immediate safety and capacity needs of the nation's aviation system. The controller's strike and the advent of airline deregulation have put greater - than - anticipated demands on FAA management and resources. NASAO is aware of proposals to delay a number of programs in the National Airspace System Plan and cut short the Congressionally-assured Essential Air Service subsidy program. While we disagree with many of these cutbacks and delays, we acknowledge that we simply "cannot get there from here" given the magnitude of the federal deficit.

Extremely important areas of future planning, airport and total system development and preservation, as well as research have suffered during this period of restructuring and reprioritization. The federal fiscal situation has only added another layer of incentives to the need to look for innovative ways to preserve and expand the air transportation infrastructure. NASAO foresees only more of the same negative impacts. There is a need for creative restructuring of the accommodating service provided by all levels of government.

We are cognizant of the pressure on the federal government to assure the continued safety of the current system even if this requires settting aside concerns about the future. FAA has briefed the state agencies on the possible cuts in contracts to collect airport safety data and federal assistance for airport master planning and system planning updates. The already dwindling airport program staff will no doubt continue to be a target for additional cuts, further reducing the FAA's capability to provide for the preservation of the Congressionally-mandated National Plan of Integrated Airport Systems. Many "future-looking" programs, such as FAA's Project Safe - to restructure the current flight standards organization to better oversee the evolving demands within a deregulated air transportation industry, rightfully belong within the federal govenment aegis.

However, there are many other programs that might be better or equally served - with less federal expense - by contracting to the private sector or transferred to other levels of government. The state governments are particularly well suited, based on many years of experience, for taking on a greater role in airport improvement and preservation as well as aviation system planning. Every state has some level of involvement in aviation programs. Most have adequate resources and experience in state aviation system planning.

There have been questions in the past, that will no doubt be repeated as to how the states can save federal dollars, and why the states are qualified. Our response to those questions include the facts that:

* Future reduced funding for AIP enhancement is evident. Ignoring this situation further is not an option.

* States are ready to take on increased responsibility.

* Funds should remain collected at Federal level and distributed to the states under current formula. About half of the States are capable of taking over the administration of general aviation, reliever and non-primary commercial service airport grants immediately.

* More cost effective for states to administer. March 15, 1985 Controller General report to the Congress (GAO/HRD-85-36) concludes: "...state activities provided an administrative framework for carrying out their new block grant responsibilities."

* States are closer to airport problems and more knowledgeable of specific needs and time-proven solutions.

* Eliminate duplication of multiple levels of government involvement.

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* In 1978, four states conducted demonstration programs for State administration of Federal Airport Development Aid Program. Evaluation audit by FAA stated that program was a success.

* In 1985, the American Association of State Highway and Transportation Officials (AASHTO) adopted a national policy favoring state administration of the AIP. This support at the State DOT level assures multi-modal coordination and synergy of DOT facilities, skills and manpower.

* States will be able to better implement five year capital improvement programs (required by law in many states) that are based on state aviation system plans and are coordinated with the Federal National Plan for Integrated Airport Systems.

* 24 states are already participating in the administration of Federal funds through state channeling acts. Additional states also participate in various forms of Federal fund administration. Even more states administer State funding programs. Ten state agencies are required by state law to act as agent for airport sponsors.

* Efficiency of coordinating and combining Federal and State planning and construction projects. This has been proven for years in Federal/State highway programs.

* Most states (40) have experience as contractors to the Federal government in the collection of airport safety data. This program includes airport inspection responsibilities, and is best suited for the states because of similar state responsibilities for airport and aviation system oversight.

* States have many years of experience in airport facility (and specifically pavement) management and preservation expertise. For example in recent years, many states led the Federal government in the use of automated pavement evaluation and management techniques.

Based on the above, NASAO recommends that those states currently prepared to take-over the AIP grant administration for general aviation, reliever and non-primary commercial service airports be encouraged to do so in an effort to assist in the immediate reduction of the federal budget. We stand ready to explore other opportunities for state government aviation expertise to assist the federal government in fulfilling its obligations to the American public.

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WEDNESDAY, APRIL 23, 1986.

FEDERAL AVIATION ADMINISTRATION

WITNESSES

JOHN L. BAKER, PRESIDENT, AIRCRAFT OWNERS AND PILOTS ASSOCIATION

JOHN SHEEHAN, SENIOR VICE-PRESIDENT FOR TECHNICAL POLICY, AIRCRAFT OWNERS AND PILOTS ASSOCIATION

Mr. LEHMAN. John Baker. Welcome back.

Mr. BAKER. Thank you, Mr. Chairman.

I have asked John Sheehan to join me. He is Senior Vice-President, Technical Policy.

I would like to submit our statement for the record and summarize, if we may.

We have four or five major issues that we have major concerns regarding. Obviously, the first is the attempt by the administration to rape the trust fund for operation and maintenance money.

We are obviously opposed to this. It is inconsistent with the commitment made at the time the legislation was passed, and, indeed, would reward broken promises if the Committee allowed that to happen.

It would no longer tie the operational maintenance funding to the commitment for capital improvements, both F&E and R&D.

The interesting thing is, in 1980 we asked then candidate Reagan what his feeling was regarding the trust fund and the integrity of it, and he indicated that the Carter Administration would like to milk the trust fund surplus, but that he didn't favor that.

That is exactly what this administration is currently trying to do, notwithstanding, as I say, a commitment to the users to get us to accept the taxes in 1982, that this would not happen.

A second point that I think needs to be said, we have had quite a lot of dialogue in the aviation community, at least, against the inability of FAA to modernize the airway system and handle the programs.

I think the evidence that you had presented to you indicates that that is the case. That FAA seems to be adrift rudderless, the programs are slipping, far behind schedule, and ultimately we users are going to be the victim of that.

I think a major reason for that occurrence is I have before and after experience having served in the FAA as Assistant Administrator at one time. We believe that the overreaching by the Department of Transportation is a principal cause for the lack of responsiveness on the part of FAA.

We believe that the reason morale is so bad and disorganization prevails as severe as it is, is simply because the Department of Transportation, with ambitious amateurs on staff, are trying to micromanage the FAA.

We see their hand in personnel decisions. We see their hand in technical decisions. We see their hand in security decisions that they are simply not qualified to make.

And they have stripped the management of FAA of the incentive to exercise initiative in this arena.

For that reason, we believe the Committee should take a hard look at that whole question.

The job that we have seen OMB, which was logically created—I was one of the first participants in that effort—to do intermodal planning rather than to manage the various modal agencies.

We have seen DOT grow from a tiny group that was contained on the eighth floor of the FAA building to an organization that now has 1,100 employees and $56 million a year budget.

That in and of itself would indicate that things are getting clear out of hand as far as we are concerned.

Again, you have had testimony on the flight service station situation. It is indeed an incipient disaster.

The FAA is proposing to cut 740 fight service station personnel even though their modernization program which promised equal or better service is dead in the water.

The Mode II or Class II, or the more sophisticated user friendly system is now seven years behind schedule: they had planned at this point in time to have 32 centralized master station flight service stations. They will be lucky if they have ten by end of this year.

Three are up now, but all three are really prototypes. They are not, in fact, fully functioning systems. The other that they proudly proclaim are moved into the building with the old equipment which, obviously, is not modernization in any sense nor is it an asset to the user.

We are suffering grievous problems, and we are now advised they are talking about flight part-time for a significant number of facilities in the upcoming year because of staffing problems.

In a session we had with the FAA Administrator last week, we raised this particular point, and he said, "Well, it is not our fault the staffing got out of cinc with the equipment coming on line. Everyone in the industry has known for five years."

I think that the Committee should again demand that there be no closure, no part-timing, until such time as there is comparable or better service provided.

As a preceding witness indicated, there are a significant number of quality commercial programs available which cost dramatically less money, could be available tomorrow and will do the system.

The only problem that exists with those systems is they weren't invented by FAA.

We believe that the AVCOM companies should be brought into this loop and we should be out buying this service, and I think the government should be paying for it. And we can do it far more cheaper than we can with the FAA programs currently.

I think the committee should ask GAO to look at the E-system's performance in this particular contract. They are now something like $50 million over budget on what should have been a relatively simple straightforward program. They have suffered no penalties for it.

And the program has slipped to the point where we are going to start killing people as a result of the inability of that effort to go forward.

In a positive sense we obviously support the Loran-C monies that are in here. We believe it is one of the best investments that the

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government can make in terms of providing a dramatic increase in capability at a very minimal cost.

And we as users are willing to buy the equipment and make the thing work in terms of airborne equipment.

Regarding microwave landing systems, we have a very strong concern over this program. It is a classic, another invented program here which has lost support of almost every segment of the aviation community, property users perspective, if FAA blindly moves forward to the LMS program which has also now slipped 18 months behind schedule. We are going to be confronted with buying about $2.5 billion worth of airborne equipment to make this system, and it simply is not going to happen.

Happily, one of the bright pieces of news which has not yet been announced as far as we know, that is appears that one of the major ILS manufacturers is going to be coming forward with a program they will have ILS leased system to the FAA which will hold down capital investment dramatically. But we will get through the vitally needed present situation landing systems.

The question that we have regarding Martin Marietta is that they are under a $685 million contract to assure that this program goes forward in a timely fashion, $8.825 million in Fiscal Year 1987. We have serious questions what it is your are buying with the money if, indeed, we need to hire someone to tell us what we have seen coming from Martin Marietta, we will offer to do it for a dollar a year.

I think that the Committee has to take a look at that. We simply aren't getting our money worth.

The other areas we think need to be looked at is the airport program. The budget was for $1.17 billion; the appropriation request is for $712 million.

If, indeed, this committee is interested in stopping delays in the air traffic system that is where the payoff is going to be.

We are airport limited, not air traffic system limited, and until we build the facilities necessary to accommodate to the traffic demand, we are going to continue to have delays no matter what kind of en route system is in place.

So, we are being very pennywise and pound foolish not to move forward fully with the funding on the airport program.

We also support very strongly the National Association of State Aviation Officials' position to take over the general aviation side of these programs.

We supported it very strongly in 1982; we still believe it is the appropriate course to pursue.

We get more return for the dollar invested with the state agencies than we do at the Federal level in terms of getting airports built.

Regarding R&D, again, every program is behind. We think that the automated air travel system is probably a major triumph. We subscribe to GAO's concerns that they are buying equipment without first ascertaining that it will work and our experience to date is nothing they have bought under those conditions has, indeed, worked as planned.

So, I think that probably again, we are going to see this modernized system overtaking technology before it is ever fully applied.

The reason we have such a major concern in general aviation is we are the principal user on the air traffic system, contrary to what many think, and we will be the victim indeed, if we don't do something about capacity, because in the public dialogue the air carrier will get a present in terms of access to the air space, and we believe that that is unconscionable and that it has to be addressed.

So I think the Committee has to start looking at the constituent parts of these programs, because I believe we have an incipient disaster on our hands in terms of the ability of FAA to implement this program.

Beyond that, we have very little strong feelings on any subject.

[The prepared statement of Mr. John L. Baker follows:]

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STATEMENT OF JOHN L. BAKER, PRESIDENT

AIRCRAFT OWNERS AND PILOTS ASSOCIATION

Regarding Fiscal Year 1987 Budget Requests

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON TRANSPORTATION

HONORABLE WILLIAM LEHMAN, CHAIRMAN

UNITED STATES HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 23, 1986

INTRODUCTION

Mr. Chairman, I am John L. Baker, president of Aircraft Owners and Pilots Association (AOPA). AOPA appreciates the opportunity to appear before this committee today. We have reviewed, as carefully as the late arrival would allow, the budget proposals of the Federal Aviation Administration. There are clearly changes to be made to it that will be beneficial for all concerned.

The Aircraft Owners and Pilots Association is the largest aviation organization in the world. It has an audited membership--constituency--of 265,000 pilots who own and/or fly general aviation aircraft and own over 140,000 of the nation's aircraft.

Further, AOPA represents those pilots who fly for personal reasons as well as a major portion of those who fly for business in this country. AOPA members and their families also represent a very large organized group of passengers who travel on air carrier aircraft ($500 million worth of ticket purchases annually). We are consumers seeking only safety, economy and utility.

OVERVIEW

The FAA is currently under much pressure to accommodate the needs of increasing numbers of users while being constrained by fiscal, safety and managerial problems. There are some that say the FAA cannot be responsive to system needs because of inherent bureaucratic inertia and political pressures. Because of this, a federal corporation has been proposed to take over FAA functions, in whole or part, to provide more flexibility and responsiveness to the needs of users.

We do not feel this really necessary at this time if the FAA is given greater autonomy to manage its own planning, operations and finances. A first step in this direction is removing FAA from under the oversight of the Department of Transportation and making it once again an independent agency. The second step is to allow the Aviation Trust Fund to be spent for its intended purpose, funding capital improvements for America's aviation infrastructure.

Department of Transportation (DoT)

The DoT was initially established to provide intermodal coordination and planning. In the 1960's, this had appeal from the standpoint of consolidating a variety of seemingly-related functions under a single Cabinet-level position. Like so many other organizational entities, the DoT has evolved into something much more than just a coordination and planning agency.

When the Office of the Secretary of Transportation (OST) was established in 1967, 500 employees and $7 million were adequate to perform these functions. In 1986, those numbers have grown to 1,100 people and $56.5 million. Obviously, the functions of OST have expanded to include the residue of the Civil Aeronautics Board, but these do not account for the 120% increase in personnel.

From our perspective, this increase is caused by OST's delving deeper and deeper into the modal agencies' operational and regulatory functions. Instead of coordinating intermodal functions, the Office is setting policy, managing regulatory and technical functions and delving into day-to-day administrative functions in ever-increasing amounts. The FAA has become just a subset of the OST staff instead of a true major agency exercising the broad powers given it by the Congress in 1985 under the Federal Aviation Act.

It is time to remove the FAA from under the DoT umbrella to allow it to better serve the unique needs of aviation. To say that aviation matters need to be linked to and coordinated with the railroads and highways is like saying that the CIA should come under the State Department because they both deal with other governments. The public interest will be better served by allowing FAA to function as an independent agency. Safety, technical, regulatory and similar issues within the FAA can be better performed without an additional layer of bureaucracy to go through. This is clearly an idea whose time has come.

The second part of improving the FAA's ability to do its job is to allow Trust Fund monies to be spent to authorized levels and to provide for exceeding these levels for well-justified and necessary programs. We do not advocate throwing Trust Fund assets at ill-defined problems, but there has to be some mechanism available for the appropriations process to be more responsive to the needs of the National Airspace System.

An independent FAA, provided with adequate funding, would more closely meet the needs of the users and would preclude the need for a federal corporation. The effect of the two organizational methods will be quite similar, and a difficult change to a whole new way of doing business under an entirely new administrative and control process will be avoided.

AVIATION TRUST FUND

The FY 1987 appropriations proposal calls for $2.8 billion for Operations. However, seventy-five percent of these basic operating funds, $2.1 billion, are to be drawn directly from the Aviation Trust Fund to cover the Federal Aviation Administration operation and maintenance expenses.

This proposal is $736 million beyond what is authorized by law to be drawn from the Trust Fund to cover FAA operations. Congress committed this nation to a far-reaching plan to modernize the federal aviation system and expand this country's network of airports, and to assure this, it wisely established penalty provisions to ensure full funding. To eliminate these provisions would be to reward unkept commitments and broken promises to both the Congress and the tax-paying users.

The large Aviation Trust Fund surplus is an irresistible target. This Administration is proposing legislation which would amend the provisions governing the Trust Fund share of FAA operating costs to provide a flat 75 percent recovery rate. This effort is in direct conflict with the basic purposes for which Congress established the Aviation Trust Fund.

It is also in conflict with a basic promise made to aviation users. In 1980, then Presidential candidate Ronald Reagan responded to a series of AOPA questions regarding the use of the Aviation Trust Fund which were published in November 1980 AOPA Newsletter. I would like to share this with you.

> "The present (Carter) Administration would like to milk the Trust Fund surplus for larger increases in operations and maintenance. I believe that O & M should continue to be funded at existing levels with modest increases, but not greatly increased."

President Reagan sharply criticized the Carter Administration for the same action as is presently proposed in the FY 1987 Federal Aviation Administration budget. This proposal is clearly a major breach of promise to the aviation users and not only provides no increase in capital development programs, airway improvements or capacity, but actually cuts them!

In addition, this proposal cancels the Aviation Trust Fund interest payment for FY 1987, thereby unfairly eliminating $790 million from the fund. We oppose this maneuver and believe that the Trust Fund should continue to be invested in interest-bearing securities with appropriate interest allocated to this fund, as is the case with all other dedicated trust funds.

AOPA demands maintaining the Operations and Maintenance (O & M) penalty provision to force the necessary aviation capital investment programs.

OPERATIONS

Operations and maintenance funds constitute the major segment of the FAA budget and therefore deserve a great amount of attention.

Flight Service Stations (FSS)

The FAA long ago abandoned the goal of having 32 automated flight service stations (AFSS) in place by the end of FY 86. They will be lucky to have ten in commission by the end of the fiscal year. Simultaneously, they have been closing and consolidating the old manned FSSs in anticipation of the new stations coming on line as originally scheduled. Not only have the closures gotten ahead of the AFSS commissionings, a serious personnel imbalance has developed as the result of the automated program's slippage.

Personnel savings have long been touted as a prime advantage of automating the FSS system. The phasing-out of personnel was to have been gradual and synchronized with AFSS commissionings and FSS closures. But, when these events got behind schedule, adjustments were not made to the personnel phase-out plan. As a result, flight service station specialist manning is dangerously low at many stations throughout the country--so low that there have already been a few FSSs that have had to reduce their hours of operations from 24 to less than 18. This is not a planned event, either. The FAA has had to do this on an emergency part-time basis.

Part-timing of an FSS denies a pilot of critical services that affect the utility of his operations and also safety of flight. Weather briefings, flight plan handling, inflight communications, weather observations and emergency services are all essential support elements for every flight. Without these available to the pilot, he is exposing himself and his passengers to unnecessary risks.

With this in mind, it is inconceivable that FAA would propose to further reduce its FSS personnel in FY 87. But, the Administration has listed a reduction of 740 full-time permanent and 369 full-time equivalent FSS positions in the FY 87 budget request.

If this is allowed to happen, most stations will have to be part-timed as these numbers represent one-fifth of the flight service station specialist work force. Moreover, current personnel manning has yielded an unsatisfactory level of service at many stations during peak hours and periods of bad weather. Further reducing manning will lower service to an unsafe level.

Therefore, we strongly urge this committee to halt cuts in personnel until the FAA can clearly show acceptable progress with the automation process and that equal or better service is available to the flying public.

A similar undermanning situation has developed with airway maintenance technicians. They are 8.5% below authorized levels and face an uncertain future regarding manning levels. Investigation of this situation should also be made a priority.

FACILITIES AND EQUIPMENT

Flight Service Stations

As previously mentioned, the FSS modernization has proceeded at a slow and unsatisfactory pace. $44.8 million is requested for FY 87 out of a total program cost of $ 322 million. In our opinion, the FAA has not been well served by the prime contractor, E-Systems. Not only did we not get what we wanted in the basic system (Model I), the development of the ultimate system, Model II, has been stalled for more than a year pending resolution of problems with the basic system. This brings the total Model II delay to seven years and places it far over budget. We feel that this contract is far enough behind schedule and specification to warrant an investigation by this committee, and we strongly urge you to do so. The flying public is not getting its money's worth with this system and is being exposed to worse service than was available under the old system. See Attachment #1 for additional information.

Additionally, the delay in moving forward with an essential element of the Automated Flight Service Station system, Direct User Access Terminals (DUAT), is a great detriment to the user. Private systems have been in existence for more than three years than can more than adequately fill the users' needs. The FAA must be forced to complete its evaluation of system alternatives.

Loran-C

This $43 million item will complete the installation of ground stations of a very useful navigation system that will provide full coverage for the continental United States . We fully support this item and urge that this be given priority to ensure its timely completion.

This is a system that has gained wide user acceptance. It will provide accurate low-level navigation and instrument approaches where none would otherwise be possible. This is truly an idea whose time has come through the popular acclaim of pilots and operators.

Microwave Landing System (MLS)

We have been quite vocal in opposition to this system for a number of years and continue to be so. MLS does not have the advantage over ILS in terms of safety, siting, capacity improvement and operational flexibility that have been so highly touted. Now, the installation schedule is at least eighteen months behind and slipping further due to software problems. This fact makes the system even less attractive to the user because the full complement of 1250 ground units will probably not be in place until the end of the century.

This system has few champions among the users' community, and as we are denied precision approach capability while waiting for MLS, there will be a growing animosity to the system. The best solution is to provide a limited number of additional Instrument Landing Systems (ILS) to fill the precision approach gap. See Attachment #2.

PAPI/PLASI

These two visual approach path indicators both have merit and should be funded for installation where needed. The FAA currently allows only PAPI to be federally funded through the F & E or the AIP process. We feel this is a mistake, and airport operators should be able to choose either as they see fit and still be eligible for federal funding.

SYSTEM ENGINEERING AND INTEGRATION (SEI) CONTRACTS

The FAA has requested $82.5 million to pay the Martin Marietta Corporation to oversee the implementation of the National Airspace System plan. This is the fourth installment on a total contract worth $685.6 million through 1992. After several years of operation, the aviation community has not seen sufficient results from this oversight and integration effort. This item certainly appears excessive for the apparent benefit being derived.

The National Airspace System Plan has already been developed, designed and formally submitted to Congress at least four times. In each of the years of the Martin Marietta contract, the company will receive more for overseeing the FAA's administration of the development of the National Airspace System plan than the FAA will spend on the actual NAS development administration.

The General Accounting Office (GAO) testified in front of this committee last week regarding its concern for FAA's ability to effectively implement the NAS plan. It is our understanding that this is one of the principal functions of the contractor. In fact, the benefits of this expensive contract listed in the FY 87 Budget Estimates are to "provide technical and management support to FAA project/program managers for the efficient and timely implementation of the National Airspace System Plan." Given the very critical remarks of GAO, we cannot possibly be getting much for our money.

We think that $685.6 million is simply too much for a federal agency to pay an outside consulting firm to oversee and duplicate its activities, especially if their job performance is apparently so poor. This contract should be carefully examined by Congress to ensure we are getting our money's worth or to seek alternative means of support.

AIRPORT IMPROVEMENT PROGRAM (AIP)

AOPA contends that the Administration should fully appropriate its budget authority of $1.017 billion. Any amount less will only serve to deprive the air traveling public of the full use of the nation's airport system.

In the 16 years federal financial assistance has been available under the Airport and Airway Development Act of 1970 and the Airport and Airway Improvement Act of 1982, the government has spent more than $7 billion on airports. However, most of this money has gone to the major air carrier-dominated airports in large metropolitan areas, which often have more money than projects. While many of these airports are major hubs and have needed additional capacity enhancements, a large amount of their funds have gone for noncapacity-related projects.

Less than one-third of all AIP money is allocated to general aviation and reliever airports. These are the airports that can significantly affect metropolitan area airport capacity problems and should receive a greater share of AIP funding.

In many cases, lack of funding has led to the loss of public-use facilities. For instance, from 1974 to 1985, the U.S. has lost 17.5% of our public-use landing areas. Further, more than 40% of the privately owned, public-use facilities went out of business. In effect, billions of dollars have been spent on airports during the past 16 years, yet aviation is worse off than it was before. Congestion and delays will not be resolved by slot rules or an expensive air traffic control system, but by additional landing surfaces.

AOPA urges that the full $1.017 billion authorized for fiscal 1987 Airport Improvement Program (AIP) be appropriated. It is time that money went toward areas of real need—increasing capacity—by building more runways at existing airports and by building more airports.

AIRPORTS DIVISION STAFFING

Low staffing levels at FAA Airport District Offices (ADO) have caused Airport Improvement Program funding request delays, airport inspection lapses and poor sponsor compliance with AIP agreements. These last two items are safety-related and are quite important.

Just two additional people for each district office would alleviate many of these problems. While this not a very visible function of the FAA, it is quite important to our members who attempt to obtain AIP grants and who regularly depend upon the safety and dependability of the nation's airports. The ADO serves as a watchdog over federally funded airports and must be adequately staffed to provide this function.

METROPOLITAN WASHINGTON AIRPORTS

With the increase in activity at Dulles, the FAA should use the generated profits from the airport to construct an expanded general aviation parking ramp and construct an additional new runway there, specifically for general aviation. These long-planned items are essential to ensure that delays and congestion do not plague this airport as they have so many other rapidly growing hub airports. These items are listed in the original airport master plan and now, more than ever, deserve attention.

FAA RESEARCH AND DEVELOPMENT

Experience with FAA efforts at R&D since the inception of the NASP lead to the conclusion that FAA R&D may be a contradiction of terms. Example after example can be put forward to demonstrate that the FAA R&D program moves so slowly as to be glacial, while technology in the private sector leapfrogs into the next century.

The FAA's snail's pace delivery of usable products hampers the national airspace system. Often products delivered are of little benefit because they have been rendered obsolete by advancing technology; the development process has produced devices not directly applicable to the need expressed by users; or developments outside the FAA R&D process render the FAA's efforts of little value.

There seems to be little central direction to the entire effort. Programs do not have proper continuity nor are critical needs emphasized. More emphasis must be given to these efforts through a centralized planning and monitoring group.

If the FAA is to continue its R&D activities, it is imperative that sufficient funding be made available. Annual decreases in R&D funding seem to ignore many of the most critical issues facing aviation in the coming years.

Programs such as FSS automation, human factors workload, satellite applicability study, and saftey-related efforts need additional funding if they are going to come to timely completion. Delay in research programs will stifle the progress of aviation and air commerce.

Airport capacity increases offer the potential for the greatest return for each dollar invested. Clearly, a significant contribution must be made to adequately fund R&D for this very important issue.

The largest single expenditure in the R, E & D budget is comprised of the closely related Advanced Automation System (AAS) and Automated Enroute Air Traffic Control (AERA) projects. These projects, totalling $33.3 million for FY 87, are just a small part of the more than $500 million ten-year total effort. Lack of adequate testing and validation of critical functions, combined with ever-lowering cost/benefit ratios, have eroded our confidence in the predicted abilities of the AAS. Apparently, the GAO feels as we do, considering their testimony on the subject last week.

It is time to reassess the AAS concept and research and development effort. Funding for this program should either be slowed or stopped completely until a determination of the true worth of the project can be made.

Funds might also be reallocated from this concept, in favor of accelerated investigation of high-technology, efficient, satellite solutions to communications, navigation and surveillance issues. The host computer will provide adequate system capacity until satellites can be fully evaluated.

Finally, we object to paying the full development costs for the Next Generation Weather Radar (NEXRAD) out of the Aviation Trust Fund. We are not the only beneficiaries of this device and should not bear the full burden of funding its development. The National Oceanic and Atmospheric Administration (NOAA) must bear a substantial part of the burden for NEXRAD from its own research and development money.

Thank you, Mr. Chairman, for the opportunity to present these comments.

AOPA
AIRCRAFT OWNERS & PILOTS ASSOCIATION
421 Aviation Way, Frederick Municipal Airport, Frederick, MD 21701, Telephone (301) 695 2000/Telex 89 3445

March 7, 1986

Honorable Mark Hatfield
Chairman, Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

As you consider the FY 1987 appropriations for the Federal Aviation Administration, we must draw your attention to the ongoing problems of the flight service station consolidation and automation programs. The Federal Aviation Administration Administrator, Donald D. Engen, sent you a letter on January 27, 1986, listing the planned FSS facilities closures and asserting, "The FAA has demonstrated that the consolidation of flight service stations has provided equal or better service."

Mr. Chairman, we disagree with the FAA's conclusion that the consolidated FSS and the existing flight service station network is providing "equal or better service" to pilots. It is our belief that pilots are experiencing a decline in availability of service, prolonged delays for weather briefings and system breakdowns. This letter addresses our concerns.

The Federal Aviation Administration "commissioned" Model I automated equipment on February 13, 1986. It should be pointed out that this "commissioning" comes directly after the Bridgeport automated facility suffered a total breakdown of the Model I system on February 9, 1986. This failure of the entire system was reported to FAA and forced flight service station specialists to file a formal unsatisfactory condition report on the Model I software and automated system. Contrary to reports, pilots did not receive "equal or better" service.

In this incident, the entire automated system was down for over six hours with no computer backup. The Visual Flight Rules (VFR) and Instrument Flight Rules (IFR) flight plans were lost; time-critical VFR inbound traffic information was lost with no way to discover whether a cancellation was received or whether an aircraft was overdue and search and rescue needed. Bridgeport FSS was able to provide some weather briefings only because the station still had the old equipment in the consolidated facility.

ATTACHMENT #1

Cable Address: AOPA Frederick, MD Member International Council of Aircraft Owner and Pilot Associations

Model I equipment has experienced so many difficulties that the FAA has issued the FSS specialists a manual on how to manage over 49 Model I system operational problems. The cumulative impact of these problems leads us to conclude that the FAA has commissioned a prototype system and not a fully operational automation system.

The Aircraft Owners and Pilots Association is very concerned about the basic reliability and integrity of this system. The Federal Aviation Administration has not certified an operational system as requested by Congress, and we question the adequacy of this "commissioned" system. We strongly object to any additional closures of flight service station facilities until Model I is fully tested, certified and proven operationally reliable.

We appreciate the committee's leadership in halting further development of Model 2 equipment until the House and Senate Appropriations Committees can evaluate and approve FAA's Direct User Access Terminal (DUAT) system selection process. We believe that FAA can utilize some of the existing commercial DUAT services to enhance the federal FSS system.

The FAA outlined a schedule of proposed FSS facilities closures in this letter. We believe these closures would be both premature and not cost effective. FAA's optimistic cost savings from facility consolidation and automation have yet to be realized. The FAA has steadily adjusted the automation and consolidation ten-year cost/benefit figure downward and maintained that the primary savings would result from reduction in personnel costs. In fact, the FAA now states, "We do not anticipate immediate savings resulting from consolidation or automation, we do expect savings to be realized from increased productivity after full consolidation and automation are achieved."

These scheduled closure proposals do not appear to comply with the specific directions contained in the January 30, 1985 letter from Senators Andrews and Chiles which state, "Every effort must be made to install Model I equipment in tandem with the commissioning of automated facilities." These FSSs scheduled for closure would be consolidated into the new location without the benefit of Model I automated equipment. In fact, the Altoona consolidation is delayed due to problems in obtaining the regular Leased Service A equipment.

In addition, the FAA is part-timing flight service stations as a result of staffing shortage at the facilities. FAA has allowed the FSS staffing levels to decline without backfilling the positions. With an increasing number of FSS specialists opting for retirement, the number of trained specialists is declining at an alarming rate.

General aviation and air carrier pilots rely on flight service station information and services. The FAA's continued "emergency" part-timing of flight service stations is simply a backdoor method of closing facilities.

We urge you again to ensure that pilots receive "equal or better" services from the FSS system as required by law and prevent premature closures of these necessary aviation facilities.

Sincerely,

John L Baker

John L. Baker
President

JLB:jfb

c: Federal Aviation Administration

BEST COPY AVAILABLE

AOPA
AIRCRAFT OWNERS & PILOTS ASSOCIATION
421 Aviation Way, Frederick Municipal Airport, Frederick, MD 21701. Telephone (301) 695-2000 Telex [illegible]

January 27, 1986

Mr. Donald D. Engen, Administrator
AOA-1
Federal Aviation Administration
800 Independence Avenue, SW
Washington, DC 20591

Dear Don,

I am sure that you are aware of concerns expressed by the entire aviation community regarding the almost assured adverse impact of Gramm-Rudman-Hollings on the modernization, airports and regulatory efforts of the Agency. This being the case, I believe that a positive step to preserve what will be shrinking resources (and one which would resolve a longstanding area of disagreement between us) would be a major re-thinking of the Agency's position regarding MLS.

For some period of time I have felt like the "voice in the wilderness" on this issue, having opposed the method of implementation from the day of Lynn's draconian announcement; I now feel like the leader of the band. As time has dragged on and the industry has suffered from the lack of a positive program for the timely installation of precision approach equipment, more and more support has developed for our position. Indeed, currently we are aware of no significant informed support from any quarter of the user community for a broad-based implementation of the MLS. The Agency has lost the support of the air carrier industry and the commuters, and it is left with only the manufacturers of the equipment, the politicians who represent their districts and those few who superficially perceive that new has to be better!

I am sensitive to the ICAO requirements for MLS implementation at the international air carrier airports in 1998. Also, we recognize that there are a very few airports where the criteria for precision approach installations have been met and an ILS simply will not play. But neither of these problems justifies the current situation: interminable delays in the availability of precision approach installations; the prospect of staggering cost to the users to install and carry a second set of airborne equipment, and the major cost to the Agency to procure and operate an MLS system that will probably be overtaken by new technology before the system is fully implemented have offset

ATTACHMENT # 2

any hope for significant benefit. To quote Dick Tabery, Senior Vice President United Airlines, "It is not the MLS we once fought for--only a replacement for the current ILS which works just fine. MLS may be an idea whose time has come and gone!"

Because the Agency has already contracted for a number of the systems, our recommendation is that these be installed at international airports, heliports and the few other facilities that qualify for a precision approach but where ILS is not an option. The second step would be the procurement of additional ILS systems that incorporate the current state of the art, such as remote monitoring, the new antennas and modularized construction.

This more limited procurement effort would clearly benefit the user community since FAA would not have to replace all the existing ILS systems. We would see the resumption of the timely installation of needed precision approach systems, would save the users literally billions in airborne equipment costs and would husband what will be increasingly dear facilities and equipment dollars for really important and necessary equipment.

I urge you to give serious consideration to this proposal during the upcoming period of trials and tribulations in the budget battle. Please be assured of our support in your efforts to keep the various programs afloat.

Sincerely,

John L. Baker
President

Mr. LEHMAN. One thing about you, you don't really waffle too much. GAO has told us that FAA could not officially spend a significant increase in dollars.

Do you agree with this?

Mr. BAKER. That is right, sir.

Mr. LEHMAN. The reason they gave, of course, was the problem of management. Do you think this is for the same reason?

Mr. BAKER. Yes, sir, all the programs are slipping dramatically. Authorized money has not been spent on a number of these programs as you are aware, and the invented syndrome here has simply come home to roost.

They cannot do the kind of research necessary. It should not be done in-house in the FAA to start with, and as a result, they are simply not ready to start implementing these programs.

Every one we looked at slipped from 18 to, in the case of FSS, seven years.

Mr. LEHMAN. With the amount in the trust fund at the present time, do you think we should lower the tax on aviation?

Mr. BAKER. I think that probably the appropriate time to do that, Mr. Chairman, would be in 1987 when we look at a renewal of this particular program.

But I do believe that the Congress should carefully look at an option which says that if the monies are not spent for the purposes for which they are collected, then there should be a reduction at a trigger point when the surplus exceeds a certain amount.

Mr. LEHMAN. Does your organization have an assessment on the model service station operation?

Mr. BAKER. Yes, sir, we do.

We have been very vocal about it, as a matter of fact, because again, our members are principally users of that system.

We think FAA is misleading. I would like to hope not intentionally, but nevertheless misleading both the Congress and the flying community.

Three stations that are open currently are nothing more than prototypes. They are not operating systems.

Instead, there have been major problems, one of which in Bridgeport resulted in a complaint being filed by employees with another government agency to demand something be done with that equipment.

The system is unreliable and it is not performing properly. The other pseudomodernization through which they have gone are nothing more than moving people, and they still lack the capability of handling the demand.

Mr. LEHMAN. Is there cooperation between the equipment and the staff at these service stations?

Mr. BAKER. Clear out of whack.

Mr. LEHMAN. That is definitely an FAA responsibility.

Mr. BAKER. There is not question about it, it should have come as no surprise to them. It came as no surprise to us.

Just as the industry was well aware, as was the agency, for instance, on maintenance personnel, that we were headed for a problem, all of a sudden last week we see an announcement suddenly they found they are short of maintenance people.

Well, that has been a problem we have seen coming for the last five or six years.

Mr. LEHMAN. Mr. Coughlin.

Mr. COUGHLIN. Thank you, Mr. Chairman.

First, as our previous witness was testifying to the private supplying of weather information, I take it you agree with that.

Mr. BAKER. We support it very strongly.

Mr. COUGHLIN. Is the nominal charge he mentioned of $30 a month off-set by 60 cents on a minute on call—is that disincentive for using it?

Mr. BAKER. It is not a disincentive at this point simply because we are saying three hundred some dollars for hardware, that in there we are buying plus we are paying staggering dollars for staffing.

We are not getting anything back from it. We would be paying twice, essentially, for the same system.

Mr. COUGHLIN. Private pilots are using that system.

Mr. BAKER. Extensively, and it is growing dramatically. There are a number of very good suppliers in the industry, and, indeed, some States.

I think Mr. Sabo has an interest in Minnesota which went forward on their own, finally, out of frustration for lack of movement on the part of FAA.

Canada, for example, has put this system into place. Other states have been looking at it, again, because of the concern they have that timely information is not getting to the pilot.

Mr. COUGHLIN. And with regard to the microwave landing system, we did question the FAA quite extensively on that.

They seem to think it was a relatively high priority project. I take it you don't feel——

Mr. BAKER. We are dumbfounded by that position, as a matter of fact.

We have talked to the point where the only response we get back is, "We disagree."

I happen to be a living testimony to new isn't necessarily better. I have had a young wife. It doesn't buy anything for us. Many of the reasons justified it originally.

Antenna siting problems with instrument landing systems have been solved by new antennas.

The delays in the program have meant that sites around the country, I think in every state that have qualified, for precision approach some years back, are not looking at 95 and later before we will see a precision approach.

The system that is currently before FAA would buy us in general aviation absolutely nothing. It will not contain the approach. It will contain variable angles approach, since we don't have the same siting problems with the exception of three or four locations in the country.

We could have precision approaches in place now at less money than what MLS will cost us, plus the fact we have 140,000 feet equipped to use the equipment.

I think we have three in the fleet equipped to use the ILS. The commitments that are made on airborne equipment cost have not been realized.

Current boxes for MLS serve for general aviation air after $13,000 a box, $7,000 for antennas, and about $7,000 for installation.

This is against a committed $2,300 cost at the time this program was sold.

ATA, Air Transport Association, also backed away from supporting this program, saying, essentially, it was a program whose time has come, and because it no longer buys us anything it is going to throw under the users a dramatic system equipment cost.

Mr. COUGHLIN. Are you saying that the ILS, as presently configured, is as effective as the MLS?

Mr. BAKER. For sure, from the general aviation perspective. If indeed you are going to be flying category 300 approaches, for instance, there may be a stronger, cleaner signal from the MLS. But from the general aviation perspective, by and large we fly category 1 approaches, which are relatively high minimums, and we aren't interested in putting an airplane down within eight feet on a runway; we would like to get it rubber side down within the confines of the runway.

ILS is more than adequate for that requirement. Plus, we can have it now, which gives us the utility that we are lacking as a result of waiting for MLSs.

Mr. COUGHLIN. Why do you think the FAA is pushing so hard on that?

Mr. BAKER. It is another classic, "We made our minds up, and don't confuse us with fact." If there is any sensitivity to the user, they would have at least backed off and examined it. We can't even start a dialogue with them at this point.

Mr. COUGHLIN. Let me ask you one other question that you did not mention. You have in your written testimony the PAPI/PLASI controversy.

Mr. BAKER. We think that is another one of the Draconian pronouncements that have been made out of the FAA with no particular justification. The testing indicated I think most like the PLASI better than the PAPI. The history was a trade-off. At the time when the U.S. won the MLS from the British, we said we will buy the PAPI from you to throw them a bone, if you will.

It is an English system. The PLASI system has been put into place in a number of spots. The airport operators in this country strongly support it. I believe NSSOS has taken a position they believe the system is equally as good.

The argument of standardization is ridiculous. We are using five different systems now, none of which is going to be pulled out. The air carrier position, which is the one that FAA has endorsed, and that is a standardized system, is the least relevant because the airports which—by and large, their operations already have precision and guidance equipment.

Mr. COUGHLIN. The FAA states it is difficult for a pilot to have one kind of system at one airport and another kind at another airport.

As an organization of private pilots, you don't feel that is the case?

Mr. BAKER. No, not at all. We have been using them for many years. There are three VASI systems alone. There are some DOE

VASI systems and other like systems that have been used for some time.

Mr. COUGHLIN. That is not a problem for private pilots?

Mr. BAKER. No.

Mr. COUGHLIN. Thank you, Mr. Baker.

Thank you, Mr. Chairman.

Mr. LEHMAN. Thank you, Mr. Baker.

WEDNESDAY, APRIL 23, 1986.

INTERSTATE COMMERCE COMMISSION

WITNESS

JEREMY KAHN, LEGISLATIVE COMMITTEE CHAIRMAN, TRANSPORTATION LAWYERS ASSOCIATION

Mr. LEHMAN. Now we are down to Mr. Jeremy Kahn.

Mr. KAHN. Thank you, Mr. Chairman and the Committee.

I am here on behalf of the Transportation Lawyers Association, a specialized bar group who, through its members throughout the United States, represents surface transportation companies.

I have submitted some written comments that I would request that be entered into the record; and, rather than read them here, I would just like to highlight briefly our position with respect to the Interstate Commerce Commission budget.

As a group of advisors to primarily motor carriers, we don't take any particular position on the merits or demerits of whatever regulation may exist today. We are concerned in two specific areas.

The first, our clients that have to compete in the deregulated, regulated environment, must have some assurance that the law as Congress has passed it will be enforced and administered by the Interstate Commerce Commission. To this extent, we believe that it is very important that the budget, as it has been presented, be a minimum budget.

Certainly, the figures are there and the American Trucking Associations' testimony yesterday shows the precise decrease in the percentage of the ICC budget over the past several years. We recognize the times in which we live, but we believe this is a minimum budget in order that the ICC can administer the laws as Congress has written the laws.

As illustrative of some of the areas, I mention some of the particulars in my prepared remarks.

One of the major carriers of concern, I think to all carriers and their representatives, is the area of safety and the related area of insurance, which I believe everyone who comments on surface transportation continues to believe is an important area in which the federal government must play a role, regardless of our regulation of traditional economic activities.

In recent weeks, recent months, in large part due to the insurance crisis with which I am sure you all are aware, the ICC has been called upon to issue literally hundreds and hundreds of proceedings each month leading to the revocation of the right to operate on the highway because of a failure to have adequate insurance. As the ICC budget testimony shows, there is a need for a minimum of personnel to adequately monitor this activity.

I think we all agree that it is quite important that the ICC be able to act quickly to revoke the right to operate for carriers that don't have the minimum levels of liability insurance that have been prescribed. As practitioners, we see the abuses that are beginning to occur because the agency is currently overwhelmed in this particular activity.

So, we would urge that the Committee look carefully to make certain and to give certain direction that the ICC not depart from this important administrative activity.

Another area, related area, is enforcement of the insurance requirements, and again this is an area in which the ICC requires a minimum amount of staffing in order to make certain that we don't have carriers without insurance operating on the highway.

We also have the issue of the ICC dealing with an increasing number of applications that are posed not on economic, traditional grounds, but on the fact that the U.S. Department of Transportation has issued unsatisfactory safety ratings. We have to be certain that the ICC has a sufficient staff and sufficient activity to monitor the situation so we don't have the Department of Transportation saying a carrier is unsafe, on the one hand, and on the other having the ICC grant a license to engage in expanded activities.

I also mentioned briefly in my remarks, and the American Trucking Association I think has shown more fully, the importance to maintain staffing in the Bureau of Accounts, which provides information for the industry, for the public, and for Congress, and anyone else interested about what in fact is going on in the industry from which any changes can be directed from a vantage point of knowledge as opposed to speculation.

We believe, finally, that this committee should give direction to the ICC to make certain that these motor carrier activities that I have described, which are noneconomic licensing but public safety issues, remain. And for that reason, that the allocation between motor and nonmotor activities as proposed in the ICC budget be retained as a minimum.

That, in essence, is our position. We appreciate the opportunity to comment, as we have commented before; and I would be pleased to answer any questions that the Committee may have.

[The prepared statement of Mr. Jeremy Kahn follows:]

April 23, 1986

BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TRANSPORTATION

STATEMENT ON BEHALF OF THE TRANSPORTATION LAWYERS ASSOCIATION BY ITS LEGISLATIVE COMMITTEE CHAIRMAN, JEREMY KAHN WITH REGARD TO THE BUDGET REQUEST OF THE INTERSTATE COMMERCE COMMISSION

Chairman Lehman and Members of the Subcommittee, the Transportation Lawyers Association ("TLA") thanks the Chairman and Members of the Subcommittee for an opportunity to comment, as the Association has commented in prior years, on the issue of Interstate Commerce Commission ("ICC") funding for Fiscal Year 1987. TLA is a specialized bar association with approximately 600 members throughout the United States engaged in the representation of various transportation entities.

As an organization of counsel to transportation entities, TLA members have a unique vantage point with which to view the activities of the ICC, which, despite changes in regulation, continues to exert extraordinary influence on the activities of our transportation clients.

TLA today reiterates what has been its consistent position before this Subcommittee, namely to support adequate levels of funding for the ICC properly to administer the Interstate Commerce Act, as modified by recent regulatory reform legislation, including the Motor Carrier and Household Goods Transportation Acts of 1980, the Staggers Rail Act of 1980, the Bus Regulatory Reform Act of 1982, and the Motor Carrier Safety Act of 1984, in the fashion Congress has directed.

TLA generally supports the ICC's proposed budget for FY 1987, because it appears, in most instances, to recognize and deploy resources to those areas which are of most importance in the carrying out of its statutory functions. At the same time, TLA suggests that the proposed FY 1987 ICC Budget is a minimum below which its appropriation should not be reduced. The suggested funding levels are significantly below those of prior years. To the extent these decreased funding levels reflect the decreasing importance and activities of lessened economic regulation, they are appropriate; to the extent they may reflect an across-the-board reduction without careful consideration of the effects of such reduction, TLA urges care in such reductions.

Similarly, TLA suggests that the ICC's proposed allocation of its requested appropriations between motor carrier and rail functions not be disturbed. The ICC requires not only a level of funding adequate to perform those tasks entrusted to it, but also Congressional direction that the agency's motor carrier responsibilities not be avoided.

The Subcommittee is certainly aware of the importance of the surface transportation industry to the United States economy and the well-publicized difficulties with which the surface transportation industry, regulated by the ICC, is faced. Carriers operating under ICC regulation are seeking to compete, to provide needed service to the public, and to earn a reasonable return on their owners' investment in an era of uncertainty brought about by recent, significant changes in regulatory law.' As an organization composed of those who are legal counsel for these carriers, TLA takes no position on the merits of recent regulatory changes, but only urges that for the benefit of these carriers and the public that they serve, that the law be meaningfully administered as Congress has enacted it in an efficient, timely fashion. We endorse the statement of Chairman Gradison that the ICC Budget for FY 1987 "provide for the continuity of regulatory functions," so long as this statement is interpreted as administration of the law as written.

From TLA's vantage point, I wish to comment on certain illustrative features of the ICC's continuing regulatory activities which require levels of funding sufficient for the ICC to undertake and maintain its Congressionally mandated administration of the Interstate Commerce Act, especially in the motor carrier field.

Sufficent funding is required for the ICC properly to handle its workload of activities undertaken for the protection of the public, an area in which all observors of the ICC are in apparent agreement must be fully funded. For example, the proposed budget projects no decrease in that portion allocated to the Office of the Secretary for purposes of, among other items, administering the ICC's insurance records. In this time of chaotic conditions in the insurance markets, it is obvious that the Commission's proposed budget is at best a barely acceptable minimum in this area.

During the current insurance crisis, the ICC must review insurance filings, and take immediate action to institute proceedings to achieve compliance with ICC requirements when the Commission receives notification of cancellation of a carrier's insurance. The Office of the Secretary handles the issuance of decisions instituing such actions. Taking as an example, the recent week of March 24 - 28, the daily ICC Register listed on successive days of the week, notices instituting 160, 114, 93, 33, and 4 separate proceedings [a total of 404 for the week] leading to the revocation of carrier operating authority for failure to maintain adequate insurance. Without adequate budget allocation, the ICC cannot maintain this essential task of determining those carriers which have, and which haven't complied with ICC insurance regulations. Any delay, due to lack of funding, means that uninsured carriers may be operating on the highways.

Another area of grave public concern is safety. In the area of the disposition of operating rights requests, the ICC is increasingly dealing with instances of applicant carriers with "unsatisfactory" Department of Transportation safety ratings. During the week of March 24 - 28, the ICC issued eight separate decisions dealing with motor carriers with unsatisfactory safety ratings. Such proceedings require more than a cursory treatment.

TLA suggests that in these illustrative areas of insurance and safety, the ICC's budget must be adequate to maintain the staff and facilities promptly to act upon and effectively to decide issues surrounding such compliance. We observe that the ICC proposes a 12% reduction in staff for the Office of Compliance and Consumer Assistance, the office with primary responsibility over enforcement of ICC regulations, including insurance. If the ICC can adequately perform its functions with such a reduction, certainly, the reduction should be permitted to go no further; the ICC must be directed to exert its fullest efforts in these important areas to protect the public. This is a particularly important area for Congressional scrutiny of the ICC's proposed budget to make certain public safety not be compromised.

Other illustrative areas of the budget require brief comment. For example, in the Bureau of Accounts, the ICC proposes a reduction in personnel of approximately 17.5%. Although this reduction appears not to affect the central functions of this Bureau, TLA stresses the importance of this

Bureau in making available to the public and to the Commission needed information describing the motor carrier industry and its revenue needs.

Whatever the future may bring for surface transportation, meaningful decisions for change or for retention of the status quo can only be made if satisfactory and complete information is readily available. The ICC must have a Bureau of Accounts in place to develop and disseminate such information.

In summary, TLA stresses that remaining regulatory functions of the ICC are such that the ICC must be funded at an appropriate level to perform those tasks which inure to the benefit of the public at large, be they areas of insurance and safety recordkeeping and enforcement, or maintaining and treating appropriate financial information for the industry. The allocation between motor carrier and rail activities should be maintained as the ICC has presented it. TLA expresses its hope that through the direction of this Subcommittee, the ICC will be funded to the extent necessary to carry out its role mandated by Congress and consistent with its public responsibilities.

Thank you Mr. Chairman, for this opportunity to present TLA's views.

Mr. Lehman. Your problem is not just a problem of surface transportation; it is a national problem that extends over everything from medicine to even your own profession. Attorneys themselves have a problem with it.

Mr. Kahn. That is very true, Mr. Chairman.

Mr. Lehman. Mr. Coughlin?

Mr. Coughlin. Thank you. Very cogent testimony, and we appreciate it very much.

Mr. Lehman. One of the things I was asked when I was talking to a group of lawyers was, does the Congress have any legislation in effect to do anything about this overall problem of liability tort claims, tort abuse?

Have you seen any tort abuse legislation coming down the pike?

Mr. Kahn. I am aware generally what is in the newspapers.

Our concern, Mr. Chairman, if I may, is we have very stringent insurance requirements in the motor carrier field particularly, and with the difficulties we are seeing a number of at least potential abuses in terms of being able to keep up to date with what is occurring. That is our concern; that the agency have enough money and enough staff to make certain that when someone says they have insurance, we have got it.

Mr. Lehman. Thank you.

Mr. Kahn. Thank you.

Wednesday, April 23, 1986.

FEDERAL HIGHWAY ADMINISTRATION

WITNESS

VERN W. MYERS, MANAGER, SYSTEMS OPERATIONS, CONTINENTAL CAN COMPANY, INC., CHICAGO, ILLINOIS

Mr. Lehman. Mr. Myers.

Mr. Myers. Mr. Chairman, Mr. Coughlin, my name is Vern Myers. I am Manager of Systems Operations for Continental Can Company in Chicago. I am appearing today on behalf of the 60 NR Committee, an association of shippers and carriers of very lightweight, high-cube cargo, and the National Industrial Transportation League, the nation's oldest and largest shippers' transportation trade association.

The 60 NR Committee and the NIT League wish to alert you to the special problems very light-weight cargoes are experiencing under the Department of Transportation's, and its Federal Highway Administration's, stewardship of the productivity provisions of the 1982 Surface Transportation Assistance Act.

While some productivity gains have been realized, the lightweight freight segment of the industry finds itself fighting hard to preserve the productivity gains it had won prior to the STAA's enactment. Prior to December 1, 1982, about 75 percent of the states enacted laws imposing overall truck vehicle lengths of 60 feet.

Under these laws, shippers and carriers of light cargo were able to increase their productivity through the use of 53-foot trailers. The purpose of the STAA's "grandfather rights" provision was to assure that these productivity benefits would continue to be available after federal imposition of a 48-foot trailer length provision.

A 53-foot long, 102-inch wide trailer provides 36 percent more carrying capacity than is available in a 48-foot long, 96-inch wide trailer. The economic benefit from this increase in capacity results in a 36 percent reduction in vehicle miles traveled. In other words, about one-third less trucks are needed when goods move in this equipment than when moved in general freight trucks. By reducing the number of vehicle miles traveled, this equipment has produced an equivalent reduction in the motoring public's exposure to highway congestion and improvements in safety.

It also has encouraged experimentation with specialized equipment, such as roller bed trucks, and with "Just-In-Time" production systems.

Because of the lighter loads they transport, 53-foot trailers can configure their axle settings to improve the vehicle's maneuverability. In many instances, they are more maneuverable than the traditional 48-foot trailer—another factor which enhances safety.

Our criticisms of the DOT center on two areas—the FHWA's implementation and administration of the "grandfather rights" provision, as well as its stewardship of the law's access provision. With respect to grandfather rights, there are two problems.

The first is the states' use of general permits, which provided the states with a means of generating revenues and of identifying the users of this equipment. Despite clear congressional intent that these permits were to continue after the STAA's enactment into law, the FHWA has advised the states that these operations are not included under the grandfather rights provision.

Our second problem is the states' confusion and misunderstanding about the workings of this provision. Efforts to eliminate this confusion has resulted in costly, time-consuming litigation to overturn restrictions curtailing our productivity. Prior to these legal actions, most of which were decided in our favor, the FHWA was allowing the states to impose special restrictions on grandfathered equipment types—resulting in the illegally curtailed use of 102-inch wide trailers.

With respect to access, the FHWA has permitted the states to engage in certain actions which erode the effective use of our equipment. They include: overly burdensome state regulatory approvals; barriers created by parochial interests where local governments have been given approval powers; denial of access to major industrial facilities; and routing restrictions which have increased the public's and the carriers' exposure to accidents.

The 60 NR Committee and the League believe that problems faced by light-weight cargo shippers and carriers can be remedied by assuring that the FHWA administers the Act's grandfather rights and access provisions as Congress intended.

We believe that this can best be accomplished by adoption of the four guidelines contained in our written testimony.

We respectfully request the Subcommittee's assistance in resolving this important barrier to the efficient movement of the nation's commerce. We look forward to working with you and your staff to assure that the nation benefits from the safest, most efficient national highway transportation network possible.

We thank you for this opportunity to present the views of our members. I would be glad to answer any questions you may have.

[The prepared statement of Mr. Vern Myers follows:]

TESTIMONY

ON BEHALF OF

60 MR COMMITTEE

AND

THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE

BEFORE

SUBCOMMITTEE ON TRANSPORTATION AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

APRIL 23, 1986

Mr. Chairman, Members of the Subcommittee:

My name is Vern Myers. I am manager of systems operations for Continental Can Company, Chicago. I am appearing today on behalf of the 60 NR Committee, an association of shippers and carriers of very light weight, high cube cargo, and The National Industrial Transportation League, the nation's oldest and largest shippers' transportation trade association.

The 60 NR Committee includes the major manufacturers of cans, foam plastics, tissue paper, breakfast cereals and containers, as well as the carriers of very light weight cargo.

The National Industrial Transportation League is a voluntary organization of shippers, shippers' associations, boards of trade, chambers of commerce, and other entities concerned with the purchasing of freight transportation services. It is the only nationwide organization representing shippers of all sizes and commodities using all modes of transportation to move their goods in interstate and international commerce. Its members, directly or indirectly, are responsible for the routing of about 80 percent of the nation's commerce.

The 60 NR Committee and the NIT League wish to alert you to the special problems very light cargoes are experiencing under the Department of Transportation's and its Federal Highway Administration's stewardship of the productivity provisions of the 1982 Surface Transportation Assistance Act.

BACKGROUND

In 1982, the trucking industry and its customers agreed to legislative provisions requiring them to pay higher fuel and other taxes to finance the much needed repair of our national highway system. In return, the Congress included in the legislation productivity benefits through removal of many of the artificial barriers to the efficient transportation of our nation's commerce.

While some productivity gains have been realized, the light weight freight segment of the industry finds itself fighting hard to preserve the productivity gains it had won prior to the STAA's enactment. This is the result of DOT's failure to take an active leadership role in assuring state compliance with these portions of the Act, and to interpret and implement the Act as Congress intended.

Very light weight cargo has one common problem; it fills the volume of the trailer long before it reaches the gross vehicle weight limitation. For instance, a full truckload of beverage cans weighs less than 7,000 pounds -- about 10 to 15 percent of the normal weight load permitted under federal law. Moreover, very light cargo is usually loaded on pallets which do not benefit from the STAA's productivity reforms unless the trailer is configured to handle efficient loading of these devices.

Prior to the STAA's enactment, the 60 NR Committee and the League, as well as other affected interests, had been very successful in securing enactment of state laws permitting overall truck vehicle lengths of 60 feet.

Under these laws, shippers and carriers of light cargo were able to increase their productivity through the use of 53-foot trailers. Prior to December 1, 1982, about 75 percent of the states permitted the use of this equipment. The purpose of the STAA's "grandfather rights" provision was to assure that these productivity benefits would continue to be available after federal imposition of a 48-foot trailer length provision.

We do not dispute the 48-foot restriction for heavier freight, because, loaded in these size vehicles, heavier freight meets federal weight requirements, and does not "cube out" as does light weight freight. However, your support now is needed to assure that the productivity gains made prior to the STAA's enactment remain available through effective administration of the "grandfather rights" provision.

PRODUCTIVITY AND SAFETY OF 53-FOOT TRAILERS

A 53-foot long, 102-inch wide trailer holds 30 standard 40x48-inch pallets -- 36 percent more carrying capacity than is available in 48-foot long, 96-inch wide trailer. The economic benefit from this increase in capacity results in a 36 percent reduction in vehicle miles travelled. In other words, it allows light weight cargo shippers and carriers to move their goods in one-third less vehicles.

It also has encouraged experimentation with specialized equipment, such as roller bed trucks, and with "Just-In-Time" production systems. "JIT" production systems permit shippers and carriers to reduce warehousing and other logistics costs to the ultimate benefit of the American consumer.

By reducing the number of vehicle miles travelled, this equipment has produced an equivalent reduction in the motoring public's exposure to highway congestion and improvements in safety. As anyone involved in safety management can tell you, the reduction in exposure to accidents is significant and does not come easily.

Because of the lighter loads they transport, 53-foot trailers can configure their axle settings to improve the vehicle's maneuverability. In many instances, they are more maneuverable than the traditional 48-foot trailer -- another factor which enhances safety. Under these axle settings, the 53-foot trailer and tractor can accommodate all standard highway geometrics to assure its safe handling over the road.

PRESENT CONCERNS

Our criticisms of the DOT center on two areas -- the FHWA's implementation and administration of the "grandfather rights" provision as well as its stewardship of the law's access provision.

With respect to "grandfather rights," there are two problems. The first is the states' use of general permits. Prior to the STAA, several states used general permits to allow the use of 53-foot trailers within their borders. Unlike the special permits used to allow the movement of a crane or other vehicles with unique handling problems, these general permits did not limit the number of trips a trailer could make, designate the specific routes for the movement, or impose other restrictions. In essence, these general permits provided the states with a means of generating revenues and of identifying the users of this equipment.

Despite clear Congressional intent that these permits were to continue after the STAA's enactment into law, the FHWA has advised the states that these operations are not included under the "grandfather rights" provision.

Our second problem is the states' confusion and misunderstanding about the workings of this provision and how it affects vehicle types which were in legal operation on December 1, 1982. Efforts to eliminate this confusion has resulted in costly, time-consuming litigation to overturn restrictions curtailing our productivity. We have instituted these court suits to assure that this provision operates as Congress intended.

Prior to these legal actions, most of which were decided in our favor, the FHWA was allowing the states to impose special restrictions on "grandfathered" equipment types -- resulting in curtailed use of 102-inch wide trailers. This occurred despite the fact that the STAA clearly authorizes their use.

With respect to access, the FHWA has permitted the states to engage in certain actions which erode the effective use of our equipment. The resulting problems include:

-- State prohibitions against access for our equipment until their regulatory approvals have been obtained. These approval processes can be a bureaucratic nightmare. In one state, the average processing time is six months, with many applications still awaiting rulings after two years.

-- Where local governments have been given approval powers, parochial interests have taken hold. For example, it has been our experience that Town "A" will permit access to an business employer located within its borders, but deny access when the equipment is travelling through the town to serve a business employer in Town "B."

-- Restrictive state definitions of what is a terminal have prevented access to major industrial facilities.

-- Routing restrictions which have increased the public's and the carriers' exposure to accidents.

CONCLUSION

The 60 NR Committee and the League believe that problems faced by light weight cargo shippers and carriers can be remedied by assuring that the FHWA administers the Act's "grandfather rights" and access provisions as Congress intended.

We believe that this can best be accomplished by adoption of the four following guidelines:

-- Define "reasonable access" as access to any terminal except in those circumstances where large commercial vehicles generally are excluded.

-- Affirm that the denial of access rights pending state regulatory action constitutes a denial of reasonable access.

-- Affirm that limits or restrictions on access which diminish overall safety considerations constitutes a denial of reasonable access.

-- Affirm that Congress intended that access be afforded all types of motor carriage -- private, for-hire, common, contract, regular route, and irregular route.

We respectfully request the subcommittee's assistance in resolving this important barrier to the efficient movement of the nation's commerce. We look forward to working with you and your staff to assure that the nation benefits from the safest, most efficient national highway transportation network possible.

We thank you for this opportunity to present the views of our members. I would be glad answer any questions you may have.

Mr. **Lehman**. Thank you for your presentation.

Don't you have a Continental Can plant in Florida?

Mr. **Myers**. Yes, sir.

Mr. **Lehman**. Up in the Citrus Belt?

Mr. **Myers**. We have plants in Tampa and Winter Garden.

Mr. **Lehman**. Thank you very much.

They have problems with this?

Mr. **Myers**. Yes, sir; we do.

Mr. **Lehman**. Mr. Coughlin?

Mr. **Coughlin**. Thank you. I appreciate your testimony and hope we can do something about it.

Mr. **Myers**. Thank you, sir.

Wednesday, April 23, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESS

REVEREND WILLIAM L. GEORGE, S.J., ASSISTANT TO THE PRESIDENT, GEORGETOWN UNIVERSITY

Mr. **Lehman**. Father George, you postponed that good dinner because the Senate was in session.

Reverend **George**. Coming soon.

Mr. Chairman, Mr. Congressman, I have two statements, one a brief request and one to give you.

The university has been doing a feasibility study, overseeing a feasibility study with an expert panel that was being done by Los Alamos on the fuel cell bus program, ones that use phosphoric acid. It appears at this stage it is time for development of fuel cell buses in the joint program between DOE and DOT.

I would like to ask the Committee to consider $800,000 towards a $2.5 million phase of this, which is an 18-month phase.

The other thing I would like to do is thank you for the energy parking facility which was begun with a predecessor, Mr. Benjamin, and wrapped up and completed by you and members of your committee.

We did another thing rather than just the energy portion. We found a special mix of cement that should add about 20 years, 15 to 20 years, to the life of the facility.

Oh behalf of the university, I really want to thank you, and I appreciate your hearing me again.

[The prepared statement of Reverend William L. George, S.J., follows:]

REV. WILLIAM L. GEORGE, S.J.
ASSISTANT TO THE PRESIDENT
GEORGETOWN UNIVERSITY

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Mr. Chairman and Members of the Committee, I am Father William L. George, S.J., Assistant to the President of Georgetown University. I would like to thank the Committee for the opportunity to testify and for your support in past years.

Today I would like to address two topics: the Energy Parking Facility; and, the Fuel Cell Bus Program.

The Energy Parking Facility is 95% completed. It is currently in use, and we anticipate a dedication in a year and a half when the accompanying building is completed. We would like to thank the Committee for its support in this project. The energy system is also virtually finished and we expect it to be operational this summer. Georgetown University has added $5.6 million of its own resources to the $8 million from the Urban Mass Transit Authority.

Secondly, for the last year and a half Georgetown University, in association with Los Alamos Laboratories in New Mexico, the Department of Energy, and the Department of Transportation, has conducted a Fuel Cell Feasibility Study. A Blue Ribbon Advisory Panel of technical and policy making people in the Fuel Cell/Transportation Industry have participated. The panel is in agreement that the potential benefits of using fuel cells in buses are so valuable that useful development is called for. Low-polluting, low-noise, fuel efficient buses would benefit our cities.

In consultation with industry specialists we have estimated that the commercial feasibility of a PA fuel cell bus system could be undertaken over the next four years. Georgetown University has a long history and experience in the field of energy development projects leading to commercialisation. We have recently concluded a major DOD sponsored feasibility study in the field of fuel cell research. Georgetown also has a history of running a fleet of mini-buses in an urban environment. Georgetown University has unparalleled experience in managing energy commercialisation programs. This fuel cell bus program would be managed by Georgetown who would assure that the Los Alamos National Laboratory would be involved in the fuel cell research. The program would operate in conjunction with the Department of Transportation and the Department of Energy. Research will gradually give way to development.

The four-phase program that is envisioned would take place over four years, and would result in the actual pre-commercial production of operable fuel cell buses. The first phase of the program is estimated at $2.5 million, and the entire four-phase project has an estimated cost of $15.0 million. Private sources will have provided an estimated $5.5 million, and the Federal Sources $9.5 million by the projects end. We would like to ask this committee to consider $800,000 to the first 18 month phase of this program.

On behalf of our President, Rev. Timothy S. Healy, S.J., thank you for your generous support, and for this opportunity to testify.

FOUR PHASE FUEL CELL BUS COMMERCIALIZATION

Federal Participation

Phase I Design, Commercial Prototype, Testing — 18 months

Phase I includes designing, commercial prototyping, testing, performance/acceptance management, and technical administration.

Phase I will result in the production of two fuel cell units at a cost of $750,000 a piece, and will have one commercial hybrid fuel cell/bus prototype running.

Phase I Cost: $2.5 million

Phase II Pre-Production — 18 months

The pre-production phase will include production and actual road testing of three fuel cell bus units.

In 12 months, one unit will actually be on the road testing. The other two units will subsequently go into service at three-month intervals.

Phase II Cost: $3.5 million ($3 million production; $0.5 million drivers, operation, and maintenance.)

Phase III Production/Operation — 12 months

Ten fuel cells manufactured and operated.

It is estimated by computer analysis of cost based upon past history that busses will cost $250,000 per unit at this stage. This price includes $60,000 per unit for fuel cell production.

Phase III Cost: $2.5 million

Phase IV Continued Demonstration Support

During this phase the fuel cell will enter commercialization through continued direct application support.

Phase IV Cost: $0.5 million

Total Time: Phase I - IV		4 years
Total Cost: Phase I - IV	Federal Participation	$9.5 million
	Private Participation	5.5 million
	Total	$15.0 million

Mr. **Lehman**. Thank you, Father George.

We always try to help out Georgetown whenever we can. I want to say you are one of the most effective people that visit us up here. You are doing a good job for your university and certainly for the common welfare.

Mr. Coughlin?

Mr. **Coughlin**. It is more than an institution. Thank you for being here.

Mr. **Lehman**. Thank you.

We will now recess until 1:30 p.m.

Afternoon Session

Wednesday, April 23, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESS

JOSEPH M. FLETCHER, EXECUTIVE DIRECTOR, METRO-DADE TRANSPORTATION ADMINISTRATION

Mr. **Lehman**. The Committee will come to order.

In accordance with the Rules of the House of Representatives and the Committee on Appropriations, without objection we will permit television and broadcasting coverage and photographing of today's hearing.

This afternoon, we will resume testimony on the fiscal year 1987 budget request for the Department of Transportation and Related Agencies.

This is the second day of two days of testimony from Members of Congress and interested outside organizations and individuals. We have a large number of witnesses. In order that we may be as fair to the last witness as we are to the first, and to the Subcommittee, we would ask each of you to limit your remarks to 10 minutes.

Our first witness this afternoon will be Mr. Joseph M. Fletcher, Executive Director of the Metro-Dade Transportation Administration.

Mr. **Fletcher**. Mr. Chairman, it is my pleasure to appear once again before you in order to reiterate why it is essential that the Miami Metromover System be completed, as originally intended, and Congress appropriate the remaining $73 million to assure complete federal participation at a level of $180 million.

Let me state at this point that as Executive Director of the Metro-Dade County Transportation Administration, it was with great pride that I recently safety-certified for revenue operation the first automated people mover system to operate in a downtown environment in the United States as an integral part of a major heavy rail system, Metrorail, with which it interfaces at one station at the present time and with two once the entire system is completed.

Let there be no doubt in anybody's mind that, as originally planned, the success of Metrorail in adequately serving the central business district area depends on the complete Metromover system which provides a collector-distributor function at the Government Center Station, and eventually also at the Brickell Station, just as buses provide the same function at other Metrorail stations.

But let there also be no doubt in anybody's mind either that when we speak of the Metromover system we mean the system as originally planned and conceived; that is, the loop around the central business district and its extensions to the Omni and Brickell areas.

The technical literature as well as previous testimonies presented in the last few years in this nation contain an abundant supply of reasons both in favor and against heavy rail and automated people mover systems. However, it would serve no purpose for me to recapitulate or dissert on these at this time.

Let me just state that on the first two days that the Miami Metromover system was opened to the public, it carried 18,000 and 23,000 patrons respectively, and it has carried an average of 16,000 daily ever since. These numbers, I must proudly state, far exceed all expectations specifically when considered in line with present day Metrorail ridership.

Critics and disbelievers will most likely point out that buses could provide an equal service at a cheaper cost. To those, I would urge that they search for a bus circulator system at a passenger load of 60 persons per bus in stop-and-go traffic that would be able to as cost effectively and efficiently provide the same service level.

Let us not kid ourselves. The same literature and testimonies cited above are also abundant with reasons and survey results as to why the public does not, in general, like buses and why they prefer manned or automated systems as an alternate to their private automobile.

But please do not get me wrong. I firmly believe that an efficient and dependable bus system is an essential element of an integrated transportation system.

I also take great pride in our bus system which carries approximately 200,000 persons every day in spite of severe budgetary, environmental and operational constraints. However, I am also faced with a fact well-known to all of us: Buses are entrapped in congested downtown auto traffic and have high labor and operating costs.

Therefore, I submit to you members of this committee that the most effective way to improve circulation in the Miami central business district area, to increase positive economic conditions, to promote more desirable forms of land use development, and to effectively connect all major activity centers is for us to meet our commitment to the citizens of Dade County by completing the Metromover system so that its full effectiveness and potential can be realized—a potential that one who has not been to Miami in the last five years would unquestionably quickly admit once he/she witnessed the phenomenal and drastic development in the Omni area and along Brickell Avenue.

It is a matter of fact that projections made in 1980 have already been exceeded in areas such as new office and retail space by up to 25 percent. In Dade County, a major investment has already been made in providing the citizens a new beginning in mass transit with the stage I of the Metrorail system providing the transportation trunk, a reconfigured Metrobus system feeding it, and the

Metromover system acting as an essential element to collect and distribute patrons in the central business district.

While Dade County fully intends with time to also complete its originally planned 50-mile heavy rail system and to further improve its bus system, the task on hand in view of the above is to expeditiously complete the Metromover system. Not to do so at this time would definitely not be in the best interests of the transportation needs of Dade County.

To that end, once again I respectfully request that this committee take positive action in appropriating the remaining $73 million needed to assure full federal participation.

Mr. LEHMAN. Thank you, Mr. Fletcher.

Congratulations on the magnificent opening of the new Metromover in downtown Miami, and especially on your ridership figures.

Has that been reflected in the main system, also? Has it had an impact on the main system?

Mr. FLETCHER. It has. Saturday, we doubled our ridership, and Sunday we tripled it, because of Metromover.

Mr. LEHMAN. You made my day.

I have just two questions. One is, our subcommittee has been concerned about obligation rates, especially in regard to the Section 9 UMTA money, the formula subsidy.

How is UMTA doing in Dade County?

Mr. FLETCHER. Dade County has approximately $4 million we have not received. We have not received any 1985 money, and 1986, as well. We have in excess of $40 million of Section 9 money that has not been received by Dade County.

Mr. LEHMAN. Do other properties similar to yours, as far as you know, also have the shortfall?

Mr. FLETCHER. They did have the shortfall. My understanding is some of them did receive money around April 15 of this year.

Mr. LEHMAN. I will look into that and see what is happening with it, and try to come back with a more positive solution.

As you know, with regard to the $180 million, there is a problem with getting the rest of that money that isn't with this subcommittee. The problem is, of course, going to be the full funding contract or some concept like that so you can go forward.

I just want to let you know, as I have in the past, that the negotiation process will have to be between you and UMTA; but that as the Chairman of this committee, this is my number one concern. And I want to let you know that I continue to be fully supportive of your efforts in securing this full funding contract.

Mr. FLETCHER. Thank you.

Mr. LEHMAN. Mr. Coughlin?

Mr. COUGHLIN. Thank you, Mr. Chairman.

As you know, I have been down to see your system. I want to join in congratulating you on the opening of your Metromover, and I am particularly heartened to hear the effect that has had on the rest of your system in increasing the ridership. I think that substantiates what you have been saying all along. That is very helpful.

Mr. **Lehman**. We are going to show these nay sayers something before it is all over.

Wednesday, April 23, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESSES

TOM BRADLEY, MAYOR, CITY OF LOS ANGELES, CALIFORNIA; VICE CHAIRMAN, LOS ANGELES COUNTY TRANSPORTATION COMMISSION

NICK PATSAOURAS, PRESIDENT, BOARD OF DIRECTORS, SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

JOHN DYER, GENERAL MANAGER, SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Mr. **Lehman**. At this time, we will have Mayor Tom Bradley. We have statements to put into the record from two of your California members, one from each side of the aisle: Jerry Lewis and Julian Dixon. Both of them are on this Appropriations Committee.

[The prepared statements of Hon. Jerry Lewis and Hon. Julian Dixon follow:]

Congress of the United States
House of Representatives
Washington, D.C. 20515

Statement by the
Honorable Jerry Lewis

Mr. Chairman. Members of the Subcommittee. As a member of the Appropriations Committee I understand the need to fund only the most cost-effective projects in any given area. Let me assure you that the Metro Rail Project in Los Angeles is just such a project.

The voters of Los Angeles County approved the construction of a 150 mile rapid transit system in 1980. Metro Rail is the high capacity starter line and necessary central component of this system. As a demonstration of Metro Rail's importance, the California Transportation Commission, with the support of the Deukmejian Administration, has pledged $400 million in state funds to the project. The County Transportation Commission has pledged at least $412 million in sales tax revenue earmarked for transit construction. These commitments, as well as the use of benefit assessment financing, will allow Los Angeles to provide 52% of Metro Rail MOS-1 costs from non-Section 3 sources. This percentage is more than twice that required under the Surface Transportation Assistance Act.

MOS-1 is the five station "minimum operable segment" which will be the first phase of Metro Rail placed in operation, and for which the SCRTD completed all environmental work in November, 1984. Engineering and design work has advanced so rapidly that construction may begin within 60 days of the signing of a federal funding contract.

A bi-partisan majority of the California congressional delegation strongly supports Metro Rail. Furthermore, on two occasions the project was debated on the House floor. Both times construction funds were approved by wide margins.

I hope this Subcommittee will be able to include $150 million for Metro Rail in the FY 1987 Transportation Appropriations bill. If I can provide further information or be of assistance please do not hesitate to let me know.

STATEMENT BY THE HONORABLE JULIAN C. DIXON

Mr. Chairman. Members of the subcommittee. I am very grateful for the ongoing suport that you have given to the Metro Rail Project in Los Angeles. In fact, the Congress has already appropriated two-thirds of the cost of MOS-1. Specifically, the total Section 3 share of MOS-1 is $605 million of which $176 million has already been approved by Congress and received by the SCRTD.

The remaining $429 million is the amount covered by the full-funding contract language contained in the continuing resolution last year. Of this amount, $226 million was approved in FY 1984, 1985, and 1986, leaving $203 million to be appropriated in FY 1987 and future years.

With only $203 million out of $605 million remaining to be appropriated we must not allow the Administration to ignore this long history of support nor the clear direction contained in the continuing resolution to proceed with Metro Rail construction.

The Los Angeles County Transportation Commission has agreed to "cover" this $203 million if federal transit programs are not reauthorized -- a highly unlikely scenario. This commitment demonstrates the stable source of funding dedicated to the construction and operation of a rail system in Los Angeles -- Proposition A.

The General Accounting Office has ruled that the Administration must release the $226 million in prior year Metro Rail monies by May 3, 1986. GAO labeled the Administration's failure to do so "impermissible reimpoundment." GAO will file a civil action against the Administration on this date if the funds are not released.

UMTA Administrator Ralph Stanley stated before the subcommittee that no environmental roadblocks exist for proceeding with Metro Rail MOS-1. The SCRTD's selection of one of four suggested alignments for MOS-2 in order to avoid methane gas in the Beverly/Fairfax area will not affect the construction of MOS-1.

The non-federal funding partners -- the California Transportation Commission, the County Transportation Commission, the private sector, and the City of Los Angeles -- will contribute almost 50% of the cost of MOS-1, making Metro Rail an even more cost-effective use of federal funds.

Mr. **Bradley**. Mr. Chairman, thanks to you and this committee, we have enjoyed great support in our efforts to provide a balanced approach to transportation in our cities across this nation. Without your help, obviously we would not have been able to come as far as we have in connection not only with operational subsidies for the transportation systems in this country—desperately needed, I might add—but we would not be able to come as far as we have with regard to new rail starts.

So, just as an aside, I wanted to express that appreciation to you.

I come today as a member of the Los Angeles County Transportation Commission. This commission was established by an act of the state legislature to provide the kind of oversight and coordination and planning for the expenditure of funds that come from state, local and federal sources, to deal with transportation issues in the County of Los Angeles.

I think that our taxpayers demonstrated their commitment to mass rapid transit in 1980 when they voted to tax themselves a half-cent sales tax in order to provide local financing for this important effort. We have been able to use the resources both of the state government, the Proposition A funds, which the taxpayers approved, our local resources, and the City of Los Angeles puts in about $69 million in support of Metrorail.

There are well over $170 million committed by the business community in Los Angeles through tax assessment districts. So, it is a partnership involving all elements of government, the state, county, the cities, and then the private sector has been very supportive.

The last element, of course, has been the federal subsidies which you have voted now for the past three years, and we are coming to you again to ask that those subsidies be maintained at the current level. We have already started two of our light rail systems, one from Long Beach to Los Angeles, and the other out the Century Freeway, a transit system on that freeway which is now under construction.

This is an indication to you we are going to provide the finances to the extent we can from our own resources. It is necessary, for example, in connection with Metrorail, that we have some assistance from the federal government. Our resources will mean that about half of that money for Metrorail is going to be provided locally. But we do absolutely need the subsidies which have come from the Congress, and we are hoping that you will continue to maintain that level at a peak we can continue with the plans that are now underway for the construction of the entire system, Metrorail as well as the light rail system.

We are very much in need of the—I am looking for the exact quote on the amount. The specific amount which is going to be asked for will be mentioned in greater detail by Nick Patsaouras. But $150 million is the amount that we need in order to maintain the level of funding that permits, along with our match, the effective support that we need to build this system.

Our first segment is four miles, but it is a very critical segment. We now have 90,000 passengers per day riding buses along that corridor. It is ultimately going to carry about 300,000 passengers per day along the Metrorail route. It gives you some idea of the importance of this effort.

We cannot do this job alone with buses. Clearly, by the turn of the century we would clearly be unable to handle the passenger load that we project. We desperately need your help again and hope you will do as you have in the past and give us the kind of support we think is going to be essential.

[The prepared statement of Mayor Tom Bradley follows:]

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TESTIMONY OF
VICE CHAIRMAN TOM BRADLEY
LOS ANGELES COUNTY TRANSPORTATION COMMISSION

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION
OF THE HOUSE COMMITTEE ON APPROPRIATIONS

APRIL 23, 1986

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

GOOD AFTERNOON. MY NAME IS TOM BRADLEY, MAYOR OF THE CITY OF LOS ANGELES, AND I AM HERE TODAY ON BEHALF OF THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION (LACTC) TO REITERATE THE COMMISSION'S STRONG SUPPORT FOR THE EXTENSION OF THE EXISTING FEDERAL TRANSIT PROGRAMS AND, IN PARTICULAR, FOR THE CONTINUATION OF FEDERAL SUPPORT FOR THE LOS ANGELES METRO RAIL PROJECT. BEFORE DISCUSSING OUR SUPPORT FOR METRO RAIL, HOWEVER, I WOULD LIKE TO PRESENT A BRIEF BIT OF BACKGROUND ON THE COMMISSION'S ROLE IN BRINGING MASS TRANSIT TO LOS ANGELES COUNTY.

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION IS AN INDEPENDENT AGENCY CREATED BY THE CALIFORNIA LEGISLATURE IN 1976. THE COMMISSION IS CHARGED WITH COORDINATING AND ESTABLISHING TRANSPORTATION POLICY AND PRIORITIES FOR THE COUNTY THROUGH THE ALLOCATION OF AVAILABLE FEDERAL, STATE AND LOCAL FUNDS. AS AN AGENCY, THE COMMISSION SERVES TO BRING TOGETHER ELECTED OFFICIALS FROM THE COUNTY'S MAJOR LOCAL JURISDICTIONS IN ORDER TO RESOLVE LONG-STANDING TRANSPORTATION PROBLEMS AND TO PLAN FOR THE FUTURE TRANSPORTATION NEEDS OF THE AREA. THUS, THE COMMISSION IS THE CATALYST FOR A BALANCED AND COMPREHENSIVE APPROACH TO HIGHWAY AND TRANSIT DEVELOPMENT IN THE COUNTY.

PROPOSITION A

AN INDICATION OF OUR COUNTY'S COMMITMENT TO TRANSPORTATION IS EVIDENT BY THE 1980 PASSAGE OF PROPOSITION A, THE 1/2 PERCENT SALES TAX INCREASE FOR THE FINANCING OF LOCAL TRANSIT PROGRAMS. SPECIFICALLY, PROPOSITION A REVENUES ARE DEDICATED TO THREE PROGRAMS: REDUCED BUS FARES, LOCAL TRANSIT IMPROVEMENTS, AND THE CONSTRUCTION OF A RAIL RAPID TRANSIT SYSTEM. THIS BALLOT INITIATIVE DIRECTED THE COMMISSION TO CONSTRUCT THE RAIL SYSTEM AS EXPEDITIOUSLY AS POSSIBLE. THE 1/2 PERCENT SALES TAX INCREASE GENERATES MORE THAN $300 MILLION ANNUALLY. OF THIS AMOUNT, 35 PERCENT IS DEDICATED TO RAIL TRANSIT DEVELOPMENT. AN ADDITIONAL 25 PERCENT OF THE PROPOSITION A SALES TAX INCREASE IS RETURNED TO THE CITIES AND THE COUNTY FOR LOCAL TRANSIT PROGRAMS AND 40 PERCENT OF THE TOTAL IS ALLOCATED AT THE LACTC'S DISCRETION FOR TRANSIT NEEDS.

THE NEED FOR CONTINUED FEDERAL FUNDING OF TRANSIT PROGRAMS

ALTHOUGH LOS ANGELES COUNTY HAS TAKEN A LEAD IN GENERATING LOCAL FINANCIAL SUPPORT FOR TRANSPORTATION PROGRAMS IN OUR AREA, THE FUNDS WE RECEIVE FROM THE PROPOSITION A SALES TAX INCREASE CAN ONLY BE STRETCHED SO FAR. AT BEST, FEDERAL TRANSIT PROGRAMS STILL FACE AN UNCERTAIN FUTURE. DUE TO FUNDING CUTS IN FEDERAL TRANSIT PROGRAMS, LOS ANGELES LOCAL AND COUNTY GOVERNMENTS, WORKING IN CONCERT WITH PRIVATE ENTERPRISE, HAVE ASSUMED A GREATER FINANCIAL ROLE IN THE FUNDING OF TRANSIT PROJECTS. NEVERTHELESS, IT IS CLEAR THAT A STRONG FEDERAL FUNDING COMMITMENT CONTINUES TO BE NECESSARY IN ORDER FOR OUR AREA TO MEET ITS BURGEONING TRANSPORTATION NEEDS. THUS, IT IS IMPERATIVE THAT CONGRESS RECOGNIZE THE ROLE THE FEDERAL GOVERNMENT MUST PLAY AS A MEMBER OF THE TRANSPORTATION FUNDING PARTNERSHIP. IT IS ONLY THROUGH THIS PARTNERSHIP OF FEDERAL, STATE AND LOCAL INTERESTS THAT LOS ANGELES COUNTY WILL BE ABLE TO MEET THE TRANSIT CHALLENGE THAT LIES AHEAD.

SPECIFICALLY, WE ASK THAT FEDERAL PARTICIPATION IN TRANSIT FUNDING INCLUDE, AT A MINIMUM, THE EXTENSION OF THE UMTA SECTION 9 PROGRAM AT AN ANNUAL LEVEL OF $2 BILLION. THIS LEVEL OF FUNDING, WHICH REFLECTS THE AMOUNT APPROPRIATED IN FISCAL YEAR 1986, WILL ALLOW OPERATORS IN OUR AREA TO CONTINUE TO EFFECTIVELY SERVE THE PUBLIC THROUGH OUR EXISTING BUS SYSTEM. HOWEVER, EVEN WITH THIS LEVEL OF FUNDING, LONG-TERM NEEDS WILL BE DIFFICULT TO ADDRESS.

OUR FUTURE TRANSIT NEEDS DICTATE THAT WE MUST EXPAND ON THE CURRENT TRANSIT SYSTEM IN LOS ANGELES TO PROVIDE FOR THE INCREASING MOBILITY DEMANDS OF A GROWING POPULATION. LOS ANGELES COUNTY HAS DETERMINED, THEREFORE, THAT THE CURRENT AND FUTURE TRANSIT NEEDS OF OUR AREA WILL BEST BE SERVED THROUGH THE CONSTRUCTION OF A RAIL RAPID TRANSIT SYSTEM TO AUGMENT THE PRESENT BUS SERVICE.

IN THIS REGARD, THE ADEQUATE FUNDING OF THE SECTION 3 PROGRAM IS EXTREMELY IMPORTANT TO LOS ANGELES COUNTY'S ABILITY TO MEET OUR AREA'S GROWING TRANSIT NEEDS. AS THE SUBCOMMITTEE IS AWARE, THE CONGRESSIONAL BUDGET OFFICE HAS ESTIMATED THAT THE CASH BALANCE IN THE MASS TRANSIT ACCOUNT, CURRENTLY $3 BILLION FOR FISCAL YEAR 1986, COULD REACH $5.6 BILLION BY THE END OF 1991. USING THIS FORECAST, IT IS PROJECTED THAT THE MASS TRANSIT ACCOUNT COULD SUPPORT AN ANNUAL AUTHORIZATION LEVEL OF $1.9 BILLION OVER THE NEXT FIVE YEARS. THIS LEVEL OF FUNDING, WHICH IS SIGNIFICANTLY HIGHER THAN THE CURRENTLY AUTHORIZED $1.1 BILLION, COULD GO A LONG WAY TOWARD ENHANCING BUS AND RAIL MODERNIZATION AND PROVIDING "NEW START" RAIL FUNDING OPPORTUNITIES NATIONWIDE. WITH REGARD TO THE LATTER, WE URGE CONGRESS TO APPROPRIATE A MINIMUM OF 40 PERCENT OF THE MASS TRANSIT ACCOUNT FOR "NEW START" RAIL PROJECTS IN FY 1987.

THE LOS ANGELES COUNTY RAIL RAPID TRANSIT SYSTEM

THE RAIL RAPID TRANSIT PLAN APPROVED FOR DEVELOPMENT BY LOS ANGELES COUNTY VOTERS IN 1980, IS A 150-MILE RAIL SYSTEM OF 13 HIGH-PRIORITY CORRIDORS. THE FIRST TWO LINES SLATED FOR CONSTRUCTION IN THE PLAN ARE THE METRO RAIL PROJECT, A HEAVY RAIL LINE, AND THE LONG BEACH-LOS ANGELES RAIL TRANSIT PROJECT, A LIGHT RAIL LINE. INDEED, THE LONG BEACH-LOS ANGELES LINE IS ALREADY UNDER CONSTRUCTION AND WILL BE COMPLETELY FINANCED BY LOCALLY GENERATED

PROPOSITION A FUNDS. IN ADDITION, WORK HAS BEGUN ON THE CENTURY FREEWAY/TRANSITWAY PROJECT, WHICH WILL PLACE LIGHT RAIL IN THE MEDIAN OF THE NEW FREEWAY. THIS TRANSIT LINE WILL SHARE THE FREEWAY WITH ONE CARPOOL LANE AND THREE REGULAR TRAFFIC LANES ON EITHER SIDE AND WILL ALSO BE FUNDED THROUGH PROPOSITION A. TOGETHER, THE LONG BEACH-LOS ANGELES AND CENTURY FREEWAY TRANSIT LINES TOTAL 40 MILES OF LIGHT RAIL CONSTRUCTION PAID FOR ENTIRELY BY LOCAL FUNDS. THE REMAINING CORRIDORS IN THE VOTER-APPROVED SYSTEM ARE IN VARIOUS STAGES OF ANALYSIS BY THE COMMISSION.

AT THIS POINT IT IS IMPORTANT TO NOTE THAT EVEN THOUGH A GREAT PERCENTAGE OF THE LOS ANGELES RAIL SYSTEM WILL BE FUNDED AT THE LOCAL LEVEL, WE CANNOT DO IT ALONE. DUE TO THE EXTENSIVE REQUIREMENTS INHERENT IN THE CONSTRUCTION OF A HEAVY RAIL LINE, THE METRO RAIL PROJECT WILL REQUIRE SOME FEDERAL ASSISTANCE. IN VIEW OF THE OVER TEN YEARS OF FEDERAL INVOLVEMENT IN THE PLANNING AND DESIGN OF THIS PROJECT, WE BELIEVE FEDERAL FINANCIAL PARTICIPATION IS ENTIRELY APPROPRIATE.

THE LOS ANGELES METRO RAIL PROJECT

THE LOS ANGELES METRO RAIL PROJECT REPRESENTS AN EXTRAORDINARY PUBLIC/PRIVATE PARTNERSHIP FOR THE CONSTRUCTION OF A LOCAL TRANSIT PROJECT. THE COMMISSION HAS PROGRAMMED $412 MILLION TOWARD METRO RAIL CONSTRUCTION AND THE AREA'S BUSINESS COMMUNITY, WORKING THROUGH THE CREATION OF BENEFIT ASSESSMENT

DISTRICTS, WILL GENERATE $170 MILLION IN PRIVATE FUNDS FOR THE RAIL LINE. ON THE STATE LEVEL, THE CALIFORNIA TRANSPORTATION COMMISSION HAS SLATED $400 MILLION FOR METRO RAIL. TOGETHER, THESE COMMITMENTS, ALONG WITH THE USE OF SECTION 9 FUNDS, WILL FINANCE OVER 50 PERCENT OF THE COST OF MOS-1, THE FIRST 4-MILE SEGMENT OF THE METRO RAIL PROJECT. THIS MEANS THAT THE LOS ANGELES AREA WILL SUPPLY TWICE THE AMOUNT OF FUNDS REQUIRED UNDER THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982 TO SUPPORT THE INITIAL CONSTRUCTION OF THIS RAIL LINE. AT THIS JUNCTURE IN THE PROJECT'S HISTORY, IT IS CRUCIAL THAT THIS PUBLIC/PRIVATE PARTNERSHIP REMAIN INTACT WITH CONTINUED FEDERAL PARTICIPATION IN, AND SUPPORT OF THE PROJECT.

THE COMMISSION BELIEVES THAT THE EXPEDITIOUS CONSTRUCTION OF METRO RAIL, BASED ON A CERTAIN AND EQUITABLE FINANCING ARRANGEMENT, IS VITAL TO THE FUTURE DEVELOPMENT OF THE COUNTY'S ENTIRE RAIL SYSTEM. THE METRO RAIL LINE WILL BE THE MOST HEAVILY USED PORTION OF THE LOS ANGELES COUNTY SYSTEM. DECADES OF STUDIES HAVE CONSISTENTLY INDICATED THAT THIS CORRIDOR WILL NEED A HIGH-CAPACITY RAPID TRANSIT SYSTEM TO MEET RIDERSHIP DEMAND. ESTIMATES INDICATE THAT OVER 300,000 PEOPLE WILL RELY ON METRO RAIL EACH DAY. THIS DEMAND CAN ONLY BE MET BY A RAPID TRANSIT LINE FULLY GRADE SEPARATED FROM THE TRAFFIC FLOW. ACCORDINGLY, METRO RAIL IS DESIGNED (1) TO MEET AN EVER-INCREASING DEMAND FOR TRANSIT SERVICES, (2) TO ALLEVIATE CURRENT AND FUTURE PRESSURE ON THE PRESENTLY OVERBURDENED TRANSPORTATION CORRIDOR, AND (3) TO PROVIDE AN ESSENTIAL LINK FOR AN INTEGRATED RAIL SYSTEM IN LOS ANGELES COUNTY.

THE NEED FOR A RAIL SYSTEM WHICH INCLUDES THE HIGH-CAPACITY METRO RAIL COMPONENT IS EVEN MORE CRUCIAL IN LIGHT OF RECENT POPULATION GROWTH PROJECTIONS FOR LOS ANGELES COUNTY. ACCORDING TO THE BUREAU OF CENSUS, BY THE TURN OF THE CENTURY THE LOS ANGELES AREA CAN EXPECT TO EXCEED ITS CURRENT POPULATION BY AN ADDITIONAL 3 MILLION PEOPLE. ALTHOUGH SCRTD BUS RIDERSHIP HAS INCREASED BY OVER 230 PERCENT IN THE LAST TEN YEARS (1.6 MILLION RIDERS EACH WORK DAY), MOST OF THE CURRENT POPULATION OF OUR COUNTY CONTINUES TO TRAVEL BY CAR. IN ORDER TO KEEP PACE WITH THE PROJECTED POPULATION GROWTH, IT IS ESTIMATED THAT LOS ANGELES WOULD NEED TO ADD 300 MORE BUSES IN THE DOWNTOWN AREA DURING PEAK HOURS, WHICH WOULD FURTHER EXACERBATE THE CITY'S GRIDLOCK PROBLEMS. A VIABLE, COST-EFFECTIVE RAIL RAPID TRANSIT SYSTEM -- REPRESENTED BY THE VOTER-APPROVED PROPOSITION A PLAN -- IS NEEDED IN LOS ANGELES NOW, AND SUCH A SYSTEM WILL BE AN ABSOLUTE NECESSITY BY THE YEAR 2000.

CONCLUSION

IN SUMMARY, THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION STRONGLY SUPPORTS THE CONTINUATION OF FEDERAL SUPPORT FOR THE PROGRAMS ADMINISTERED BY THE URBAN MASS TRANSPORTATION ADMINISTRATION (UMTA). IN ADDITION, WE ARE COMMITTED TO THE CONSTRUCTION OF A COMPREHENSIVE RAIL SYSTEM IN LOS ANGELES COUNTY. THE METRO RAIL LINE IS AN IMPORTANT ELEMENT TOWARD THE DEVELOPMENT OF RAPID TRANSIT IN OUR AREA. THE TIMING OF

CONSTRUCTION OF THE ENTIRE SYSTEM IS DIRECTLY DEPENDENT UPON THE LEVEL AND CERTAINTY OF FEDERAL FUNDING FOR METRO RAIL. WE URGE THE COMMITTEE TO ENSURE THAT THE DEPARTMENT OF TRANSPORTATION, THROUGH UMTA, FULFILLS CONGRESSIONAL INTENT BY CONTINUING TO FUND THE METRO RAIL PROJECT.

AGAIN, THANK YOU MR. CHAIRMAN, FOR GIVING ME THIS OPPORTUNITY TO SHARE THE COMMISSION'S POSITION WITH THE SUBCOMMITTEE.

Mr. **Lehman**. Thank you, Mr. Bradley. Nick?

Mr. **Patsaouras**. Chairman Lehman, Congressman Coughlin, thank you for the opportunity to appear before you today. I am Nick Patsaouras, President of the Southern California Rapid Transit District.

I would like to submit my written testimony for the record and limit myself to brief remarks, because you know about L.A. Metro like nobody else, I might say.

I want to reaffirm the state and local commitment, the non-federal commitment for the project. The State of California has committed $400 million for the total project; $213 million for the first phase.

I would like to quote Governor Deukmejian: "Metro Rail promises to improve mobility in Los Angeles, help relieve traffic congestion, and enhance economic development along its corridor. After a thorough review of the technical merits of the project, we also were impressed by the widespread support Metro Rail enjoys from local public officials and community and business leaders in Los Angeles."

As Mayor Tom Bradley explained, the Los Angeles County Transportation System has approved $176 million. That money is generated from a long-term stable funding source—the one-half percent sales tax earmarked totally for mass transit. The business community has stepped forward and is going to contribute $130 million for the first phase through innovative benefit assessment process.

The buildings that are within the central business district have already earmarked, approved to contribute, $130 million; and RTD has set the process in place.

What I am saying is that the non-federal share for the Metrorail project first phase is 62 percent. That is far beyond the 25 percent required by law.

Now we are ready to start construction pending the full funding contract mandated by House Joint Resolution 465 signed by the President December 19, 1985. That resolution instructed UMTA to give us a full funding contract within 90 days; but what has happened, after 88 days through that 90 days, UMTA had not drafted, had not presented to RTD a full funding contract.

We took the initiative and drafted that contract and gave it to the government officials. There was some progress at the beginning, but Secretary Dole suspended those negotiations.

It is ironic that Congress has approved two-thirds of that funding. Specifically, $176 million has been already released by UMTA for design and preconstruction purposes. $129 million in fiscal years 1984 and 1985 have been withheld by UMTA, and the General Accounting Office recently labeled that withholding impermissible reimpoundment.

Congress approved in 1986 $101 million. That was reduced to $96.6 million through the Gramm-Rudman-Hollings sequestration. $401 million Congress has approved out of the $605 million needed from the federal Government to fund the project.

Mr. Chairman, I would like to echo Mayor Tom Bradley's comments. Through your leadership, Metrorail is alive today.

On a personal note—and I know I speak for the leaders in our community and the citizens of the community—we are grateful and will be grateful because Metrorail will happen through your leadership. We are asking your continued support. We are asking $150 million for fiscal year 1987 so that we can build a safe, fast and cost-efficient system in Los Angeles.

Thank you.

[The prepared statement of Mr. Nick Patsaouras follows:]

TESTIMONY OF NICK PATSAOURAS

PRESIDENT, BOARD OF DIRECTORS

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

BEFORE THE

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON TRANSPORTATION

APRIL 23, 1986

Southern California Rapid Transit District 425 South Main Street, Los Angeles, California 90013 (213) 972-6000

Mr. Chairman. Members of the Subcommittee. Thank you very much for the opportunity to appear before you. My name is Nick Patsaouras and I am President of the Board of Directors of the Southern California Rapid Transit District (SCRTD). At least 1.6 million passengers ride SCRTD buses each workday, a 58 percent increase over the last ten years. Our heavily congested surface streets and freeways simply cannot accommodate current, much less anticipated, transportation demand. In 1980, the citizens of Los Angeles County approved the construction of a rail rapid transit system to address the transportation challenges accompanying our county's phenomenal growth. The Metro Rail Project is the highly-capacity central line of this eventual system. The SCRTD will build and operate Metro Rail, which is the subject of my testimony today.

Often called the "backbone" of the 150-mile system that was described earlier, Metro Rail will serve directly the Wilshire Corridor -- the transportation corridor with the highest population and employment densities in Los Angeles County. Significantly, it is also the only line in this voter-approved system which Los Angeles is asking the federal government to help fund.

The importance of Metro Rail to the continued economic development and mobility of Los Angeles and the State of California is underscored by the willingness of state and local officials to "overmatch" federal construction funds. As you have heard, Mayor Tom Bradley and the Los Angeles City Council strongly support the project and have committed significant city-controlled transit funds to Metro Rail.

FURTHERMORE, THE STATE OF CALIFORNIA HAS PROGRAMMED $400 MILLION FOR THE PROJECT. GOVERNOR GEORGE DEUKMEJIAN STATED, AND I QUOTE:

> "METRO RAIL PROMISES TO IMPROVE MOBILITY IN LOS ANGELES, HELP RELIEVE TRAFFIC CONGESTION, AND ENHANCE ECONOMIC DEVELOPMENT ALONG ITS CORRIDOR. AFTER A THOROUGH REVIEW OF THE TECHNICAL MERITS OF THE PROJECT, WE ALSO WERE IMPRESSED BY THE WIDESPREAD SUPPORT METRO RAIL ENJOYS FROM LOCAL PUBLIC OFFICIALS AND COMMUNITY AND BUSINESS LEADERS IN LOS ANGELES."

THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION HAS COMMITTED $176 MILLION TO MATCH FEDERAL CONSTRUCTION FUNDS FOR THE FIRST PHASE OF METRO RAIL. THESE FUNDS COME FROM REVENUE GENERATED BY THE 1/2 PERCENT SALES TAX EARMARKED EXCLUSIVELY FOR TRANSIT PURPOSES IN LOS ANGELES COUNTY. COUNTY VOTERS ESTABLISHED THIS LONG-TERM, STABLE SOURCE OF REVENUE WHEN THEY APPROVED THE CONSTRUCTION OF A RAIL RAPID TRANSIT SYSTEM IN 1980.

THE BUSINESS COMMUNITY WILL CONTRIBUTE SOME $130 MILLION THROUGH AN INNOVATIVE BENEFIT ASSESSMENT PROCESS. IN FACT, THE ASSESSMENTS FOR BUILDINGS IN THE CENTRAL BUSINESS DISTRICT HAVE ALREADY BEEN CALCULATED AND APPROVED BY THE LOS ANGELES CITY COUNCIL. IN ADDITION, THE SCRTD HAS ALREADY ENACTED THE REQUIRED LOCAL ORDINANCES TO IMPLEMENT THEM. WHEN COUPLED WITH OTHER LOCALLY-CONTROLLED FUNDS WHICH HAVE BEEN PLEDGED, THE NON-FEDERAL SHARE FOR METRO RAIL WILL APPROACH 50 PERCENT OF THE COSTS, GREATLY EXCEEDING THE 25 PERCENT REQUIRED BY LAW. THIS EXTRAORDINARY LOCAL COMMITMENT MAKES THE PROJECT AN EVEN MORE COST-EFFECTIVE USE OF FEDERAL FUNDS.

Specifically, the SCRTD has asked UMTA to fund only 48 percent of the cost of the first phase of Metro Rail, known as Minimum Operable Segment-1 (MOS-1), from Section 3 discretionary dollars. MOS-1 includes the rail yard and maintenance shops for the entire line, as well as the first five stations. The SCRTD completed all environmental documents relative to this first segment in November, 1984. Construction will begin shortly after the successful negotiation and approval by UMTA of a federal full funding contract, which was required by House Joint Resolution (H.J. Res.) 465, signed by the President last year.

This legislation required the full-funding contract negotiations to be concluded by mid-March, 1986. Unfortunately, so far, UMTA has not negotiated a contract to completion as required by the law. After 88 days of the 90 day negotiation period had elapsed, UMTA still had not drafted and presented to the SCRTD a full-funding contract. Consequently, the SCRTD drafted a proposed contract and met with UMTA officials to discuss its provisions. After some initial progress, the Secretary of Transportation suspended negotiations.

IRONICALLY, THE CONGRESS HAS ALREADY APPROVED TWO-THIRDS OF THE FEDERAL SHARE OF THE COST OF MOS-1. SPECIFICALLY, UMTA HAS ALREADY RELEASED $176 MILLION IN GRANTS FOR DESIGN AND ENGINEERING, AND PRE-CONSTRUCTION ACTIVITIES. SO FAR, THE AGENCY HAS REFUSED TO RELEASE AN ADDITIONAL $129 MILLION IN FY 1984 AND 1985 CONSTRUCTION MONEYS -- AN ACTION WHICH THE GENERAL ACCOUNTING OFFICE RECENTLY LABELED "IMPERMISSIBLE REIMPOUNDMENT." FURTHERMORE, FOR FY 1987 THE CONGRESS APPROVED $101 MILLION, WHICH WAS SUBSEQUENTLY REDUCED TO $96.6 MILLION UNDER GRAMM/RUDMAN/HOLLINGS SEQUESTRATION. THE CONGRESSIONAL CLOCK ON THE ADMINISTRATION'S PROPOSED RESCISSION OF THESE FUNDS EXPIRED LAST WEEK. THEREFORE, IN TOTAL, THE CONGRESS HAS ALREADY APPROVED $401.6 MILLION, APPROXIMATELY TWO-THIRDS OF THE TOTAL SECTION 3 SHARE OF $605.3 MILLION OF THE COST OF MOS-1.

THE LEADERSHIP EXHIBITED BY THE MEMBERS OF THIS SUBCOMMITTEE HAS BROUGHT METRO RAIL TO THIS ADVANCED STAGE OF CONSTRUCTION READINESS. I URGE YOU TO HELP US BEGIN CONSTRUCTIONS AS SOON AS POSSIBLE ON THIS VITALLY-NEEDED PROJECT. WITH AN FY 1987 ALLOCATION OF $150 MILLION IN SECTION 3 FUNDS FOR MOS-1, I REMAIN CONFIDENT THAT LOS ANGELES CAN BUILD AND OPERATE A RAPID TRANSIT SYSTEM WHICH IS FAST, SAFE, EFFICIENT AND COST-EFFECTIVE. THANK YOU.

Mr. **Lehman**. Thank you for your very kind remarks. You certainly can count on my continued support.

As you know, we have another problem also. We are going to try to see, as you said, that this full funding contract is brought to the proper negotiation procedures once again as mandated by our law.

John, before you leave, do you have any problems also on the rate of obligations? Do you have any problems about the 1984, 1985 level of obligation of Section 9 money?

Mr. **Dyer**. No, sir, we do not.

Mr. **Lehman**. Mr. Coughlin?

Mr. **Coughlin**. Thank you, Mr. Chairman.

As you know, I have had some concerns about the project in terms of ridership figures. A technical review committee on Metrorail identified some 11 problems in a report issued this winter.

If you could, for the record, please respond to each of these problems first, and discuss the financial impact of incorporating safety features to address each of these problems on the cost of Metrorail. You don't have to do that just for the record.

Mr. **Dyer**. Yes.

Mr. Chairman, Mr. Coughlin, my name is John Dyer. I am the General Manager of SCRID.

The 11 items that you refer to relate to the issue of methane gas and the methane gas problem, if there is one, on the first 4.4 miles. The recommendations were 11 in total. The RTD has formally committed and is pursuing each one of those recommendations. We have completed implementing approximately five at the present time. Four are construction type recommendations that cannot be implemented until construction starts, and another three are pre-operations that cannot be implemented until the pre-operations system would begin in approximately 1991.

The sequence of this is those that can be implemented at the present because of the stage of construction have been implemented. The remaining four to five that would be implemented during construction we are prepared to implement; and those that would be pre-operations we would implement at that time five years down the road.

The total estimated cost is not more than $5 million to $6 million. It could be less than that. The difficulty is we don't know exactly what the cost of some of the construction ones are until we get into it. We know what the top end is; we just don't know what the bottom end is. That is the status.

We are prepared to implement every one. We have implemented those we can implement at the present time. We will implement the others as the construction sequence begins. And the total cost is $6 million in round numbers.

Mr. **Coughlin**. Could you, for the record, however, respond to each one and what the status is?

Mr. **Dyer**. Yes, sir, we certainly can.

Mr. **Coughlin**. If you would justify that information to the committee, if you would.

[**Clerk's note**.—The information requested was not provided to the Committee.]

Mr. **Coughlin**. Thank you, Mr. Chairman.

Mr. LEHMAN. At this time, we would like to recognize Mr. Roybal, one of my colleagues on the Appropriations Committee. You are welcome to join my committee today, Mr. Roybal.

Mr. ROYBAL. Mr. Chairman, I would like to express my appreciation to you for your kindness for permitting me to join your committee on this very important subject.

May I take this opportunity not to ask any questions, but to also make a statement reinforcing the points already made by the Mayor and other distinguished representatives from the City of Los Angeles.

The truth of the matter is, Mr. Chairman, that the Metrorail project is the absolutely necessary first step in addressing the mounting traffic congestion and air pollution problems generated by the Los Angeles area's continued growth. I think we all know that the Los Angeles area already supports the second largest urban population in the United States. Furthermore, between 1970 and 1980, the population of this area increased by more than 1.3 million residents, more than any other urbanized area in the country.

During this same period, the growth in non-agricultural jobs in the Los Angeles area was eight times that of Chicago and nearly four times that of the City of New York. Of the 1,000 largest industrial companies in California, 63 of them have their headquarters in the Los Angeles area, including 7 of the top 10 industrial firms, 4 major banks, 6 of the 10 largest savings and loan associations, and 6 of the 10 largest merchandising companies.

Los Angeles has truly become the center of the Pacific rim economic and trade market. I think the Mayor and others have testified to this fact right along. In fact, the Pacific rim currently enjoys the most extensive economic activity in the free world.

At the center of this vast arc of largely undeveloped countries with half of the world's population, Los Angeles will continue its dramatic growth. Specifically, estimates point to a population increase of at least 2 million in the Los Angeles area by the year 2000; in other words, 2 million more than we have at the present time.

As the Los Angeles area continues to grow, meeting the transportation challenges facing this region becomes increasingly difficult. For instance, no single improvement such as widening streets or freeways will meet the particular needs of every congested transportation corridor. So, enlarging the streets will not meet the problem.

Instead, an integrated multi-model solution must be developed. Metrorail will serve as the backbone of the 150-mile system of light and heavy rail lines and dedicated busways approved by the Los Angeles County voters in 1980.

I join Mayor Bradley, the California Transportation Commission, the Los Angeles City Council and the Los Angeles County Board of Supervisors in urging you, Mr. Chairman, and members of this committee, to approve the $150 million in Section 3 funds for Metrorail. I think it is most important not only for this committee to recognize the great need of this great city of ours, but to recognize the fact that without it congestion will continue to increase, makeing traveling in that area almost unbearable.

This is a must, Mr. Chairman. I urge that you give it every consideration.

Mr. LEHMAN. Thank you, Mr. Roybal. Certainly, I personally appreciate your strong support for this project, and the people from the Los Angeles community are very fortunate to have such a person as yourself represent its interests.

If there are no further questions, we want to thank you for being here. We are looking forward to our first ride.

WEDNESDAY, APRIL 23, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESSES

HON. NORMAN D. DICKS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

HON. JOHN R. MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

CHARLES ROYER, MAYOR, CITY OF SEATTLE, WASHINGTON

Mr. LEHMAN. If Mr. Miller would yield to a member of our Committee, at this time I would like to recognize a colleague on the Appropriations Committee, Norman Dicks.

Mr. DICKS. First of all, I just want to say welcome to Mayor Royer from Seattle.

Congressman Miller and I are here to demonstrate bipartisan support within the Congress for this important project in the City of Seattle, I think this is the third time, Charlie, that you have been here and testified about this project. I want to welcome you and yield to my colleague from Seattle, whose district is affected, Congressman Miller.

Mr. MILLER. Thank you, Congressman Dicks, Mr. Chairman, Members of the Committee.

I appreciate the privilege of sitting in with you today. I also want to welcome Charles Royer, Mayor of Seattle.

I had the pleasure of working with the Mayor when I was on the Seattle City Council for several years, and he comes here today to talk about a public transit project, the Seattle Bus Tunnel, that is rated number one on the merits by the federal agency involved, that has broad public support in the community, and it is a project in which the Mayor, his colleagues and the citizens of the Puget Sound area have already invested a lot of time and money in.

So, Mayor Royer, we welcome you.

Mr. ROYER. Thank you.

Mr. DICKS. John, if I can say one final thing, I am sure on behalf of our entire delegation, I want to thank Chairman Lehman and Larry Coughlin, who have given us enormous support in the last several years on this project, and without your support we wouldn't be here today; the Mayor wouldn't be here testifying.

So, we just want to say thank you before Charlie gives his prepared testimony.

Mr. LEHMAN. Thank you.

Mr. Mayor?

Mr. **Royer**. Thank you, Mr. Chairman.

Members of the Committee and my friends from back home, thank you for being here to show your support of this project, as well.

As Congressman Dicks said, this is the third time that I have been before this committee, and I just want you to know that I don't only say that we appreciate your support of transit, Mr. Chairman, when I come here. I say it when I am back home, too. So, you have a lot of friends out there in the Northwest if you ever get that far out away from Miami.

Mr. **Lehman**. There is a World's Fair out in Vancouver, so I may be there.

Mr. **Royer**. I will provide a little personal transit for you, too.

I would like to, Mr. Chairman, just try to accomplish a couple of things with the time I have here today. I want to ask some additional support from you in our efforts to try to resolve some issues with the Urban Mass Transit Administration, offer my support in your efforts to see that the will of the Congress is carried out by the Executive Branch, and urge you to bring some certainty to this project of ours in the fiscal year 1987 decisions that you are making.

Let me give you just a brief report on the project first. As you know, a $20 million fiscal year 1985 discretionary grant provided at the direction of this committee is helping to finance the activities of the project. Metro Council and the City of Seattle have authorized spending $65.5 million for this first phase of the project. We are doing land acquisition right now. Purchase agreements have been reached on 24 of 29 necessary parcels. Easements have been secured for all the necessary station entrances, and our private sector is stepping up in a growing way with private property owners agreeing to donate free of charge about $11 million worth of property easements for these station entrances.

We have also managed to coordinate the schedule and integrate this bus tunnel with a whole lot of big projects going on in the city. This is important, Mr. Chairman, because I think it addresses one of the concerns I have about the uncertainty we are facing both with UMTA and with future appropriations for this project.

We have going on right now in the City of Seattle the development of a big trade and convention center, a big project right in the center of our retail core, which is one of the main station entrances for the downtown bus tunnel. We have office building projects going on around it, the redevelopment projects throughout the city that are really keyed to the development of this bus tunnel.

Downtown Seattle is going to be disrupted somewhat with all of this construction, but we believe that we can coordinate this effort if we have certainty on construction with the bus tunnel so that disruption is kept at a minimum and business is hurt in the least possible fashion.

Overall design is 43 percent complete. We have solicited bids on relocating the utilities for the project which construction will begin in the next couple of months. We are about ready to award a major $50 million to $60 million tunnel boring contract this summer, and our budget calls for 83 percent of all construction activity to be underway in the spring of 1987.

Our engineers estimate the fiscal year 1986 and 1987 contracts will cost $232 million when all the bills are paid. So, the project, Mr. Chairman, is moving.

Our problem, though, is uncertainty—uncertainty over future funds, uncertainty that even the will of the Congress will be respected and carried out by the Administration. It seems that Congress authorizes and appropriates, but UMTA spends only when and if it agrees. Right now, UMTA doesn't seem to agree.

As this committee knows well, the GAO pointed out that UMTA was impounding funds intended for Los Angeles. The Secretary of Transportation failed to conclude negotiations and execute those full funding contracts by March 19, of which you are well aware, for those three projects—Miami, Seattle and Los Angeles.

Back home, some people are wondering whether we ought to delay our project because of this uncertainty, even though they know the project is absolutely essential to mobility in our city, and absolutely essential to the economic health and economic future of our city, and even though they know we have spent a lot of money already, local money, in anticipation of completing the project, and based on prior commitments from all of the parties to the project, and with full knowledge that delay can drive up the cost of this project and put us in serious trouble in the long run.

In fiscal year 1987, we are requesting almost $68 million in federal discretionary grant support. You have provided us with $45 million in the past, leaving only $83.5 million remaining of the federal share of 50 percent, or $197 million of this transit project. Locally, we are supplying 50 percent of the tunnel construction costs, all of the $21 million needed for the surface improvements, and $115 million for purchase of the dual-powered diesel electric buses that will operate in our tunnel.

All of the commitments which are necessary to supply the local dollars have been made. Local sales tax revenues have been dedicated to the project. The City of Seattle contributions have been voted as have contributions from the downtown business community been committed.

We hope urgently, Mr. Chairman, that an assertion of congressional authority in the fiscal year 1987 appropriation process will dispel some of this uncertainty that jeopardizes our project and reaffirm what private citizen and entrepreneur David Stockman is now saying—that there are domestic priorities like transit which are good and necessary investments in our national economy and in our future.

Since we started planning for downtown transit in the mid-Seventies, downtown employment has grown by 20,000 people, and we expect another 20,000 jobs in downtown Seattle by the year 1990. In the aggregate, those are about as many jobs as we have lost in our troubled timber and fishing related industries in the State of Washington. It is a tremendous economic benefit for our region.

Our problem is, downtown streets cannot handle the 140 additional buses needed to accommodate these new jobs.

Let me conclude, Mr. Chairman, with one final point, which I think is essential. This dismantling of the domestic budget which is going on finds its victims, as usual, among the poorest people in our society, people who get no benefit from the tax reductions that have benefitted other Americans. This is true in transit. The working poor ride the bus. Over one-third of Seattle riders that we surveyed through our transit company indicated that they had no other means of commuting to work.

The percentage of riders with household incomes below $15,000 per year is twice as high as the average population of that income group within my city. In other words, twice as many people as a proportion of the population below $15,000 a year ride the bus.

Finally, more than 20,000 people ride Metro each day on special passes for low income, elderly, and handicapped people. Clearly, mass transit meets social policy goals.

So, Mr. Chairman, for all those reasons I urge this committee to reject, as you have in the past, the administration's attempt to withdraw federal support for mass transit.

Congress raised the federal gasoline tax in 1982 at the President's request to expand the level of federal support for mass transit. You know that real world costs of not following through on promised federal support are too high to be taken seriously.

Thank you.

[The prepared statement of Mayor Charles Royer follows:]

TESTIMONY OF
THE HONORABLE CHARLES ROYER
MAYOR OF THE CITY OF SEATTLE
GIVEN BEFORE
THE HOUSE TRANSPORTATION APPROPRIATIONS SUBCOMMITTEE
APRIL 23, 1986

Mr. Chairman, this is the third time I have had the honor of presenting testimony before your Committee on the Downtown Seattle Transit Project. Together, we have made great progress in solving the most critical transportation problem in my city. Today, I want to give you an update on the project's development.

More importantly, I want to explain why good mass transit is in the national interest and deserves sustained levels of federal support. I think it is important that I do so because I know spokesmen for the Reagan Administration have come before this Committee belittling transit's benefits, indicating they are of only local significance. As a mayor, I believe the Administration's proposed and actual handling of domestic grant programs can best be described as intergovernmental terrorism--a conscious program of threats and delays aimed at undermining our mutual resolve to preserve an intergovernmental partnership. This Committee has consistently fought the Reagan revolutionaries and their intergovernmental terrorism. We thank you for those efforts.

Let me turn now to the status of the Downtown Seattle Transit Project. Last summer, Metro and the City of Seattle completed the federal environmental process and initiated land acquisition and final design activities. A $20 million, FY 1985 discretionary grant provided at the direction of this Committee is helping finance these activities. The Metro Council and the City of Seattle have authorized the expenditure of $65.5 million for this phase of the project.

Land acquisition activity is in full swing. Purchase agreements have been reached on 24 of the 29 necessary parcels. Easements have been secured for all necessary station entrances. Significantly, private property owners have agreed to donate, free of charge, $11 million worth of property easements for station entrances.

We have also managed to coordinate the schedule and integrate the physical design of the tunnel within several other important development programs in downtown Seattle. Construction of the State Trade and Convention Center, the Rouse Project in the Westlake Retail Core, and the Runstad Project at the University Street Station, the Upland Project at the international District Station, and the monorail rehabilitation are all linked in varying degrees to the construction of the bus tunnel. Downtown Seattle will be disrupted somewhat by all this construction.

Fortunately, we can get a lot accomplished at the same time and thereby minimize the duration of construction disruption.

Overall design is now 43% completed. Bids have been solicited on utility relocation work. This work will begin in the next two months. We plan to award a major $50-60 million tunnel boring contract this summer. Our schedule calls for 83% of all construction activity to be under contract by Spring, 1987. Our engineers estimate these Fiscal Year 1986 and 1987 contracts will cost $232 million when all the bills are paid.

Mr. Chairman, our bus tunnel project is so important to our community that we are willing to pay twice the normal local match and borrow heavily against future land resources. But we can't afford this project on our own. We need a federal partner. The Reagan Administration's threats of draconian cuts in federal mass transit assistance create doubts about the federal role in mass transit. We hope this Committee will help dispel those doubts in the FY 1987 appropriation process before we sign expensive construction grants.

This Committee has helped provide just over $45 million of federal support for our project in the past. For 1987, a year of peak construction activity, we are requesting $67,87 million in federal discretionary grant support. That will leave only $83,54 million in remaining federal aid requests for 1988 and 1989. This annual funding levels higher than we received in the past but not out of line with funding provided for other cities during the peak of their major transit facility construction.

Locally, we are providing 50% of funding needed for tunnel construction, all of the $21 million needed for tunnel related surface improvements and up to $115 million needed for purchase of the dual powered, diesel/electric buses that will operate in the tunnel. All of the actions needed to supply the necessary local funds for the project have already been taken. Local funding comes primarily from sales tax revenues dedicated to transit, supplemented with contributions from the City of Seattle and the downtown business community.

Having first updated you on the bus tunnel's progress and funding, let me now explain why I believe this project should be built and built in partnership with the federal government.

Growing cities like my own need major investments in new transit facilities to maintain mobility, economic vitality and a high-quality environment for our citizens. In Seattle, we've managed to avoid choking on rush-hour auto congestion thus far through a cost-effective expansion of our bus system. Downtown employment grew by 20,000 jobs in the period between 1975 and 1982, but peak hour auto access actually declined because of a remarkable 100% increase in peak-hour transit ridership.

Downtown Seattle employment is expected to grow by another 20,000 jobs by the year 1990. Once again, transit is expected to handle nearly all the additional peak-hour trips generated by these employees. But our downtown streets can not handle the 140 additional buses needed to accommodate peak-hour ridership. Downtown bus speeds will slow to a crawl if the tunnel is not built. Even today, you can make better time walking down Third Avenue than you will riding the bus.

The Downtown Seattle Transit Project will improve the economic efficiency of our region by improving transit access to downtown. It will also generate secondary benefits in employment, tax revenues and enhanced livability of our downtown environment. Downtown provides nearly a third of our real growth in our revenues. If downtown stops growing, our ability to meet the human needs of the less fortunate in our community may also stop growing. We would then look to local suburb jurisdictions and the State to play a stronger role in meeting human service needs in our region. That's a role those jurisdictions are not eager to take from us.

Finally, the tunnel will complete a regional system of dedicated, high-occupancy vehicle highway lanes radiating out from our congested downtown streets. Since 84% of our regional system's buses pass through downtown at some point during the day, the tunnel will also greatly enhance schedule reliability throughout the entire metropolitan service area. This long term solution to downtown transportation problems will also free Metro to spend even more time and resources on the emerging transportation difficulties of our suburban activity centers. We believe the project is well conceived, and a prime candidate for federal investment.

Even the Urban Mass Transportation Administration does not quarrel with us over the cost-effectiveness of this project. UMTA's own analysis showed that the direct transit benefits alone of the Seattle bus tunnel will far exceed its proposed cost in federal dollars. Just last week, UMTA Administrator Ralph Stanley indicated once again in testimony before the Senate Banking Committee that our project ranked first in the nation in cost-effectiveness.

But Mr. Stanley's words of praise do not alter the fact that the Reagan Administration is pursuing an ill conceived, unilateral policy of greatly diminished federal support for mass transit. The Administration pursues this policy because of its ideological commitment to minimalist government. In doing so, the Administration displays little, if any, real world understanding of transit's importance to our national well being. I fear their lack of personal understanding stems, in part, from driving or being driven to wherever they wish to go. This anti-transit, pro-auto bias blinds them to transit's substantial benefits and to the vast direct and indirect federal subsidies they receive when they use their automobiles.

The Administration's anti-transit policy also ignores the will of Congress and the American people. When the President signs a bill into law, the Executive Branch has a Constitutional duty to carry out that law. Existing evidence suggests the current Administration does not feel obligated to faithfully execute a transportation law it does not support. The General Accounting Office found UMTA, for example, guilty of impounding transit funding intended for Los Angeles. As this Committee knows well, the Secretary of Transportation also failed to conclude negotiations and execute full funding contracts by March 19, 1986, for projects in Miami, Los Angeles, and Seattle. Finally, transit operators around the country are complaining about increasing slowness in the rate of UMTA grant obligations.

Is bureaucratic obstructionism and intergovernmental terrorism what the American people want from their federal government? I think not. Even David Stockman, that founding father of current anti-transit attitudes within the Administration, now admits that the Administration's radical domestic spending cuts ignore political reality. When the American people want a public good, like mass transit, they look to all levels of government to play a role in providing it. The so-called Reagan revolutionaries fail to appreciate American's willingness to pull together for the common good.

What public good does mass transit provide? First and foremost, increased personal mobility for everyone in our larger cities. The recent transit strike in Philadelphia proved that individual motorists as well as transit riders benefit from efficient mass transit. Our bus tunnel will cut 54 hours per year off the average tunnel rider's commuting time. Just think, Mr Chairman, more than one work week of extra productive time for thousands of daily commuters. I doubt many links in our federal highway system can boast of such benefits.

Economic development incentive in our central cities is probably the next most important benefit of mass transit. Good transit service permits increased development density to occur. In Seattle, we have recognized the dependency of highrise development on transit and adopted a comprehensive downtown land use and transportation plan that permits high density only in areas well served by transit. Downtown service and tourist industries are the only sectors of the city's economy where significant real growth is forecast to occur. If that real growth is choked off by transportation congestion, the City Council and I will not be able to meet the fast growing human service needs of many within our city.

Mass transit also contributes towards a long list of other national goals including environmental protection, energy conservation, transportation safety and low cost mobility for elderly, handicapped and economically disadvantaged citizens.

Over one-third of Seattle riders surveyed indicated that they had no other means of commuting to work. The percentage of riders with household incomes below $15,000 per annum (30%) is twice as high as the average population of that income group within my city. Finally, over 20,000 people ride Metro each day on special passes for low income, elderly and handicapped people. Clearly, mass transit meets social policy goals.

For all these reasons, I urge this Committee to reject, as you have in the past, the Administration's ill conceived attempt to withdraw federal support for mass transit. Congress raised the federal gasoline tax in 1982 at the President's request to expand the level of federal support for mass transit. You know that the real world costs of not following through on promised federal support are too high to be contemplated seriously.

Mr. LEHMAN. Thank you. Thank you for your kind words.

You mentioned the problems of the full funding contract—as you know, in the Continuing Resolution of last year we legislated language that mandated that the Secretary of the Department of Transportation enter into negotiations and complete these negotiations within 90 days of enactment of this legislation into law.

From my review of the situation, it seems like the Secretary, or her staff that she assigned us to, certainly didn't take the good faith part of this requirement to heart. They called your people a few times, according to my understanding, and submitted a proposal to you on the 89th day of the 90-day period, which isn't the way, in my opinion, to really negotiate in a constructive or even a good faith way.

Would you characterize the type of negotiations by the Department of Transportation as meeting the requirements that we wrote into the legislation last year?

Mr. ROYER. Mr. Chairman, although I haven't been personally involved—there have been staff-to-staff negotiations—I do know they have stopped, and I do know that members of our Governing Board of the Metro Council are very concerned. We are concerned with where negotiations were when they stopped, and are even more concerned about the uncertainty they feel because they now have stopped.

Mr. LEHMAN. How about the procedure of the negotiations? How would you term the process itself?

Mr. ROYER. I think some of our people at Metro have been frustrated.

Mr. LEHMAN. You can stop there. Of course, you may continue if you wish.

Mr. ROYER. I will take the Chairman's advice on that.

Mr. LEHMAN. At this time, I will yield to Mr. Coughlin.

Mr. COUGHLIN. Thank you, Mr. Chairman.

As I have said from this chair before, I think the Seattle project is one of the most sensible projects that I have seen come along in some time. I fully support it and hope to come out there again and see it in operation some time in the near future.

Mr. ROYER. Thank you, Mr. Coughlin.

Mr. LEHMAN. Mr. Dicks?

Mr. DICKS. Mayor Rover, I want to compliment you again in your third excellent statement before the committee. I have a couple of questions that I would like to ask you, and I would like permission, if possible, for you to be able to amplify your responses for the record at this point.

First, as a supporter of this project I know major projects like the Seattle bus tunnel are quite expensive, and I believe the benefits justify the expense. Obviously, that is your view of this, too.

Mr. ROYER. Well, just those employment numbers that I gave you indicate, given 84 percent of the bus trips in our region, which is a growing, active region—you go through downtown—and given those job numbers I quoted, I don't think anybody feels there is any doubt—even UMTA—I don't think anybody feels any doubt about the cost-effectiveness or the economic benefits on the return of this investment.

Mr. Dicks. I assume that you know this program has been constituted as a 50 percent Federal program and 50 percent local program. Some of the Administration say that it all should be funded locally.

I think you would agree that we need to keep the 50 percent Federal matching program in place for projects like this, don't you?

Mr. Royer. Well, I don't think we could do this. We would contemplate this project if we didn't have, number one, a 1982 invitation and a whole history of federal invitation for partnership in these kind of transit projects. We wouldn't have contemplated it.

Keep in mind that right now the Metro—Metro pays locally for about 95 percent of our operating budget. We pay 50 percent of our capital budget. We have dedicated six-tenths of a sales tax cent to this transit enterprise, plus the state has guaranteed a percent of the motor vehicle excise tax. These are sizeable local dedicated tax sources that, obviously, when they were dedicated, if they could have been sufficient to fund 100 percent of what we need, they would have been put at that level.

But already our sales tax is high. Federal taxes are being cut while our taxes are going up. So, aside from the fact that I believe—and I believe members of the Committee believe—that transit is one of those national priorities that requires some sort of federal-local partnership, that we are doing more than our fair local share. But we certainly need that federal share, which will be returned in many, many ways.

The gentleman from Los Angeles was talking about the trade aspects of the Pacific rim. Seattle is the closest port to China and to the Orient. The tremendous amount of commerce going through the ninth largest container port in the world, which is Seattle, and the financial infrastructure and the international business infrastructure built up around that port, which is our downtown, with six north-south streets, is a tremendous investment, and it needs to be protected in the national interest.

So, there are plenty of national economic priorities that can be pointed to that would benefit from this investment.

Mr. Dicks. I would like to point out again that this committee has been enormously helpful. This project, I think, is a good one.

I would just point out again that the Administration's rescission of the money that Congress provided in fiscal year 1986, some $25 million for this project, has expired; and clearly, under the law, that money should be obligated.

I just want you to know we are going to do everything we can to try and clear up this uncertainty that has hung over this project.

Chairman Lehman has been enormously helpful. We have had direct meetings with Mrs. Dole on two separate occasions, long chats with her about this project. So, the department is well aware of our concern, and we will do everything we can to help you.

Mr. Lehman. Thank you again, Mr. Mayor, for your presentation. We will continue to support this, as the Members have stated, very worthwhile project, to the extent we can within the budgetary limitations that we have.

I just want to remind you, you must be aware of the problems presented by the enactment of the Gramm-Rudman legislation, and we have to work around that and through it, but it is a barrier to the kind of funding that you need in Seattle.

Mr. **Royer**. Yes, sir.

Thank you very much. I appreciate the time here again. Thank you.

Wednesday, April 23, 1986.

FEDERAL AVIATION ADMINISTRATION

WITNESSES

HON. NORMAN Y. MINETA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

HON. GEORGE E. BROWN, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. **Mineta**. Mr. Chairman, is Mr. Brown also with me?

Mr. **Lehman**. Yes.

Mr. **Mineta**. He is going to be doing the research and development piece.

Mr. **Lehman**. We don't want to overlook the big bear.

Mr. **Mineta**. Thank you very much, Mr. Chairman and Members of the Appropriations Subcommittee on Transportation, for this opportunity to appear before this very distinguished panel.

In my testimony today, I would like to begin by highlighting the major effects of the President's fiscal year 1987 budget proposals on the Federal Aviation Administration, and conclude by addressing the more immediate impacts of Gramm-Rudman-Hollings on FAA.

As this Subcommittee is all too well aware, the users of the aviation system have been paying taxes since 1970 assuming their user fees would be funding modernization of air traffic control facilities and equipment as well as safety and capacity improvements to local airports.

Abrogating the 1970 trust with the aviation taxpayers, the Reagan Administration now offers to partially meet unquestionable safety needs by hiring some controllers and some inspectors. In return, the Administration asks the Congress, airline passengers, general aviation pilots and shippers are willing to forget why they have been paying their ticket and gas taxes.

In other words, forget the needed capital improvements. We are planning to use your taxes for subsidizing 75 percent of FAA's operating budget. Not satisfied with starting to fund operations from the trust fund in 1987, the President's budget suggests that interest not be paid on the trust fund. The reason given for this $790 million ripoff is to pay back past FAA operating costs from the trust fund, costs that go back to October 1, 1981.

Parenthetically, I would add here that while the President seems to be looking in most of the wrong places for revenues, the OMB and DOT have both somehow managed to overlook proceeds from the sale of landing and take-off slots. Their recent high-density rule allows airlines to keep what they get from selling these public operating rights for Washington National, Kennedy, LaGuardia, and

O'Hare Airports. These windfall profits might better find their way into the Aviation Trust Fund to improve the system.

To add insult to injury, the President's budget would cut the three programs that are supposed to be supported by the Trust Fund by 30 percent from their authorized levels.

In the Facilities and Equipment account alone, the fiscal year 1987 cuts will bring the shortfall between appropriations and authorizations since 1982 to $1.2 billion. For the Airport Improvement Program, the five-year gap will equal $665 million against an unfunded backlog of more than $3 billion in airport construction grants. In research, engineering and development, $300 million that could have been funding terminal Doppler radar or explosives detection equipment will not be provided over the same time period.

Obviously, these cuts will slow up and perhaps eliminate vital safety and capacity improvements at local airports. The cuts will further delay and curtail modernization of the air traffic control system. At the same time, future safety improvements will not be discovered or developed with research efforts cutbacks.

With respect to aviation safety, I am pleased that the President's fiscal year 1987 budget has placed the Administration on the record in support of adding 500 air traffic controllers and 138 air carrier and aircraft safety inspectors. However, when you read the fine print of the budget or ask the specific questions your Subcommittee and mine have posed, Transportation Secretary Dole or FAA Administrator Engen either mis-add or ignore the numbers so clearly written on page 318 of the Conference Report on the Fiscal Year 1986 Continuing Resolution—that is, that 500 controllers are to be added this year to the 14,306 controller positions that existed in fiscal year 1985.

Just a week ago, FAA Administrator Engen told this important panel that the FAA was implementing plans to increase the controller workforce to 14,480 by September 30, 1986, and to approximately 15,000 by the end of fiscal year 1987. This is some 300 controllers short of the congressionally-directed staffing level.

With regard to increasing the number of FAA safety inspectors—an effort in which I have greatly benefitted from the full support and invaluable assistance of Chairman Lehman—the fiscal year 1987 budget detail is only somewhat more encouraging. As compared to the enacted Continuing Resolution for Fiscal Year 1986, which added 200 air carrier and general aviation inspectors, the FAA acknowledges proceeding to hire at least 150 inspectors in fiscal year 1986.

The remaining 50 inspectors and 100 support positions, which are needed to develop standard procedures and criteria for the inspection program, are to be filled "to the maximum extent possible within available fiscal year 1986 funding," according to the FAA Administrator's testimony of April 16.

I am afraid we may also have to look forward to similar staffing problems for airways maintenance specialists. The number of people charged with making sure FAA's air traffic control, navigation aids and communications equipment are operating properly and safely have fallen dramatically and are set to decrease by 359 authorized positions in the 1987 budget.

The actual number of employees on the job today is even lower than the number authorized, by almost 800 positions. To worsen matters, 38 percent of present airways facilities maintenance specialists will be eligible to retire in five years.

This translates into less maintenance of air traffic control equipment and longer waits for repairs. Some of the en route centers no longer have full-time maintenance coverage. In addition, the retirement of a significant portion of experienced airways maintenance specialists in the near future must be dealt with before they are gone. I am not at all convinced that next year's budget or this year's FAA are doing so.

For facilities and equipment expenditures related to safety, the fiscal year 1987 budget continues its gamesmanship. Specifically, the procurement of Next Generation Radar, NEXRAD, which can detect and warn of wind shear, is set to proceed at 10 locations. However, FAA is shown in the President's budget as using funds from the Aviation Trust Fund to pay both its own and NOAA's share of the program's costs. This comes despite historic radar use patterns and the funding agreement those patterns dictate: FAA and the Defense Department each contributing 20 percent; NOAA paying the remaining 60 percent.

Thus, we have an administration that is unwilling to use the Aviation Trust Fund to adequately finance what it was intended to pay for while they have no compunction about using it to pay for all sorts of other activities.

I would like to now shift to the FAA's more immediate budgetary prospects for the remainder of the current fiscal year.

In good faith, to ensure that the safety of civil aviation was not compromised by Gramm-Rudman-Hollings' March 1st cuts, this committee provided the Federal Aviation Administration with the $85 million the agency indicated was needed as part of the Urgent Supplemental Appropriations bill, H.R. 4515.

In his testimony just last week, FAA Administrator Engen told you that those funds were needed to prevent furloughs of non-safety personnel at FAA, and urged the Subcommittee on Aviation's support for immediate enactment of the supplemental. Earlier, Secretary of Transportation Dole came before this committee and supported a so-called non-monetary, or, zero dollar, supplemental for the same reasons.

What neither the FAA Administrator nor the Transportation Secretary told the Appropriations Committee was that additional funds were needed this fiscal year to avoid temporary lay-offs of all FAA employees—controllers and inspectors, as well as personnel not directly performing safety functions.

More than halfway into the fiscal year, the FAA has found that they are up to $50 million short. They do not have enough funds on hand to pay for leased telecommunications services purchased through the Defense Commercial Communications Office, DECCO, and used for air traffic control. They are also short on funds for other air traffic control-related items. Among them are relocating personnel for consolidation of Flight Service Stations; contracting for training and automation support services at en route centers; and apparent misallocations of supervisorial air traffic personnel.

Apparently, all of these have cost more than FAA anticipated. I am not privy to knowing the excuses being offered as to why FAA and DOT did not know sooner of AT&T rate increases; why they did not properly account for the actual costs of moving employees to implement the Flight Service Station consolidation that has been talked about since 1981; and why the Transportation Department and aviation agency did not acknowledge that supervisorial positions slated for elimination in October are still on the personnel rolls now.

I can accept that when DOT and the aviation agency were preparing their budget for fiscal year 1986, they could not have anticipated Gramm-Rudman-Hollings. I might even be able to accept that every year some costs may increase from their original estimates.

However, I would have expected—and believe we should all have the right to expect—that once the so-called Budget Deficit Control Act was passed, the Administration would have closely scrutinized their aviation finances and been able to accurately identify the full extent of the shortfall and the resulting needs.

Sadly, this was not the case. Rather, the Administration, which so extolls their own ability to bring the good sense and management skills of the private sector to the government, has proven itself seriously lacking. What we had the right to expect, if not the duty to require, has not materialized.

While we in the Congress have stood by, ready to assist the DOT and FAA in their efforts to ensure that aviation safety is not compromised by budgetary constraints, these Executive Branch agencies have evidenced an appalling inability to manage their own spending. It would appear that neither DOT nor FAA have a budget system that is able to either monitor its regions' spending or to control their expenditures. Further, it seems that there is an absence of messengers willing to bring bad news to either Secretary Dole or Administrator Engen for fear of being shot.

Once again, I am afraid it will fall to our Committees to provide the fix. We will pay the price when President Reagan threatens to veto the Urgent Supplemental Appropriations bill. We will also pay the price when we have to embarrass the DOT and FAA into managing their aviation budgets. In both cases, the Congress will do so while the Administration beats us up in the media as profligate spenders lacking self-control.

But, because we care about preserving the airway and airport system that has taken 50 years to build, we will have to provide the remedy. Working together, I believe we can do the job the Administration has failed to do.

I would be pleased to now answer questions from the committee.

Thank you.

Mr. LEHMAN. We would like to hear from Mr. Brown, then we will ask both of you questions. As you know, we have about 12 minutes before a vote.

George, how long would your statement last?

Mr. BROWN. I think I can do it in two or three minutes.

Mr. LEHMAN. Fire away.

Mr. BROWN. Mr. Chairman, I am here primarily to lend emphasis to the testimony you have already heard from Chairman

Mineta. I am a relative late comer to this policy area, having inherited the chairmanship of the Subcommittee on Transportation, Aviation and Materials in the Science and Technology Committee just this session.

Chairman Mineta has already indicated to you that there is a $300 million shortfall since 1982 in the RE&D budget for FAA. That shortfall this year is over $60 million, and of course, we think that that will have a dramatic adverse effect on a number of programs.

It means that the Administration will have to drop many advanced research and development projects and will be able to fund only the projects that supported the National Aerospace Plan and the rulemaking that they have to do.

We think it is terribly short-sighted to cancel virtually all of the work aimed at the future needs of aviation beyond the National Aerospace Plan. I have attached a list of some of the promising advanced research projects which need to be funded, and I would like to have that made part of the record, Mr. Chairman.

My subcommittee this morning completed, two days of hearings on the FAA research and development program, in which we have heard from every major group. All of these groups are virtually unanimous in stating that we must move ahead with modernization and that we cannot afford to sacrifice these important research engineering and development programs.

Many user groups feel that Congress has shown bad faith by failing to spend the funds which the groups have contributed to the trust fund, as Chairman Mineta has already indicated.

We have also heard from the GAO with regard to the difficult problems in procuring a program as large and technically complex as the AAS program, and we have raised some questions about whether a competitive phase prior to full-scale development would not be a more economical way to proceed in this case. We urge the committee to consider that factor.

Mr. Chairman, that essentially completes my statement, and I reiterate my support for the recommendations which Chairman Mineta has made.

[The information referred to follows:]

4/18/86

POSSIBLE ADDITIONS TO THE FY 1987
R,E&D PROGRAM
(funding in millions)

Dollars	Program	Reason/Impact
4.5	Oceanic ATC/Automatic Dependent Surveillance	Develop automatic dependent surveillance techniques and associated oceanic ATC automation improvements to provide real-time surveillance data to oceanic controllers.
3.0	Artificial Intelligence Applications to Weather Data Analysis and ATC	Apply AI technology to weather data analysis (esp., microburst/wind shear precursor detection) and to traffic management/air traffic control.
3.5	System Capacity	Develop procedures to improve airport capacity based on existing/improved airport area surveillance and navigation capabilities to include MLS.
3.0	Wind Shear Sensors	Develop airborne and low-cost ground-based wind shear detectors to reduce the risk of aircraft encounters with hazard wind shear events
3.0	Terminal ATC Automation	Develop time-based traffic management techniques for the terminal area to improve user fuel economy and provide for flexible approach pathes
4.0	Airport Surface Traffic Automation	Provide airport surface CNS improvements; surface conflict alert; and traffic sequencing, routing, guidance and control techniques.
2.0	Satellite Communications	Perform focused technical studies on short-term pivotal issues in the application of satellite communications to aviation needs (including ADS). Issues to be addressed include protection of the channel from intentional/unintentional interference, the potential for frequency reuse techniques to increase the capacity of allocated spectrum and the international development of signaling standards.

4.0	ATC Simulation Laboratory	Provide and operate a comprehensive ATC simulation capability to support the development of future ATC automation concepts and features. The Laboratory should include human factors.
3.0	Voice Data Entry	Perform an assessment of voice data entry technology appropriate for ATC and/or cockpit applictions (ATC is the priority application).
8.0	Regulatory	Restores funding cut from Cabin Fire Safety, Propulsion, Crashworthiness, Flight Safety, Aviation Medicine, and Environment
2.0	System Capacity	Restores cuts for analyses to increase system capacity of the NAS
1.0	Separation Standards	Restores cuts for analysis required to insure safe separation of air traffic
3.0	Advance Traffic Management	Restores cuts to develop coverage of an Advanced Traffic Management System
2.5	Advance System Concepts	Restores cuts to formulate new concepts for future air traffic control services.
2.0	AERA	Restores cuts to the AERA Program
2.0	Helicopter Program	Various projects in communications and NAVAIDS
1.0	NADIN II Enhancements	Interface development with AAS
1.2	Flight Crew-Human Factors	Complement studies augmentation flight by wire and advanced concepts study. NAS systems integration workload study
2.0	Airports Program	Instrumenting aircraft for ground performance advisory system pavement studies on new materials accelerate soft overrun studies
1.0	Data Link Program	Accelerate Data Link operational evaluation including end to end features
55.7		

Mr. **Lehman**. Well, thank you very much.

I wish I could ask you a few questions and let you go for the rest of the day. However, I think we would like to pursue some of your statements in more detail. So, we will recess the Committee while we vote.

If you don't mind, can you both come back?

Mr. **Brown**. Yes.

Mr. **Mineta**. Yes, sir.

[Recess.]

Mr. **Lehman**. I want to publicly acknowledge what both of you do to improve the aviation system of this country, and to protect the safety of the flying public.

Your oversight of FAA has been outstanding, and I understand the public is fortunate to have such leadership.

The report that comes out of your testimony, and out of other testimony, says the administration must do a better job in managing their dollars.

The GAO told us that the FAA could not efficiently spend more money, there are problems with controllers, inspectors and there are problems with the kind of detailed micromanagement by OMB, and by the Office of the Secretary.

Certainly, we do have budget problems, but it seems that the larger problem is one of managing the money. What is your view—what is your concern about this situation?

Mr. **Mineta**. Well, firstly, I think, Mr. Chairman, as far as the FAA is concerned, I think they are outside the information and management loop with OMB and of the Office of the Secretary of Transportation.

I think they are outside the loop in the communication that goes on between OMB and OST.

Then, on top of that, I think there is absence of management at both of those agencies. I think management in a sense of having the kinds of day-to-day computerization of what is happening to——

Mr. **Lehman**. Why don't you draw them a wall chart and show them?

Mr. **Mineta**. It is just an absence of management, Mr. Chairman, I think, and unfortunately, in the case of Admiral Engen, try as hard as he might, he is outside the information loop with OMB and OST.

Mr. **Lehman**. Would you say that Admiral Engen is a bit frustrated right now?

Mr. **Mineta**. I would say that he probably would answer in the affirmative, but I would say that just as an observer of the scene, I would be in that position a very, very frustrated Administrator.

Mr. **Lehman**. I fully agree with your concerns regarding how FAA has been managing their funds. As you know, the Secretary announced last September that FAA intends to hire 1,000 additional controllers.

As of January 31, there were actually fewer controllers on board than in September. We had only increased the controllers by about 30 people.

Now we learn, just this week, that they need up to $50 million in addition to the money already in the supplemental, which is bogged down. It is distressing that we learned this after years of trying to take care of this problem. How does this reflect upon the Department of Transportation in terms of their management and budget capability?

About the only thing we have free standing is the FAA appropriations bill to take care of that.

Mr. MINETA. It doesn't reflect well on either the Department of Transportation or FAA. Again, you can point to the absence of management in both agencies.

Mr. LEHMAN. Mr. Brown, if you would like to comment as I go along, please feel free.

Mr. BROWN. Mr. Chairman, I already linked my indebtedness to the expertise of Mr. Mineta and I am more than willing to let him answer. I would just comment with regard to the role that FAA plays.

I think it is clear to you—it was evident in testimony this morning—that FAA would like to have additional funds beyond the present budget. They made that request, but OMB apparently paid little attention to it.

So, I am not seeking to put the blame exclusively on FAA for the fact that they have inadequate budget in the research and development field. I think they probably tried, but they didn't succeed.

Mr. LEHMAN. Do you think it is a problem of communications?

Mr. BROWN. There is a problem of communications, Mr. Chairman.

Mr. LEHMAN. We understand that DOT has studied this problem of the million shortfall. If this analysis is not finished shortly, the matters may have to be dealt with in a second supplemental.

Given the problems of a veto, isn't that approach a very risky way to run an FAA system?

Mr. MINETA. Absolutely, Mr. Chairman. I would fully agree with that analysis. When you figure that it would probably take a month or two to figure out where they are and where they are going, it seems to me that when the DOT and the FAA were reviewing the 1986 budget after the enactment of Gramm-Rudman-Hollings, that they would have looked at every anticipated expense, that they would have checked under every nook and cranny to figure out where they were going and what kinds of anticipated expenses they might have.

And yet, it is apparent they didn't do that, and it seems to me they should have done that before they asked for the first supplemental.

Mr. LEHMAN. Mr. Coughlin?

Mr. COUGHLIN. Thank you very much, Mr. Chairman.

You both bring very special expertise to the subcommittee. We appreciate your taking your time in coming back after the last vote.

We had testimony from the GAO last week, and testimony from some outside organizations this week, indicating that perhaps we should not spend some of the F&E money that is in the budget.

I would like to get both of your perspectives on two programs in particular—first, I would like to get your perspective on the NEXRAD Doppler radar system. GAO tells us FAA has not developed this system to the point of production, more research is still necessary.

We all agree that better wind sheer detection is necessary. But GAO points out maybe it is counterproductive to fund it before it is ready, and might look into an inferior system.

I don't know whether you have looked at the status of this technology, when other necessary projects might go lacking because of it.

Mr. **Mineta**. Let me comment on a part of that. It seems to me again, we have the budget trying to provide a quick fix with a piece of equipment that wasn't really intended to do what they wanted to do.

What the President's budget is saying is, let's take 10 of these NEXRAD radar sites and put them at the terminal. NEXRAD wasn't built to be a terminal Doppler radar. NEXRAD was built as a long range kind of radar system with a wide sweep, and you can't take that piece of equipment and then put it at a terminal and say, we will use it as a terminal Doppler radar.

I think on that basis, it is foolish to take these NEXRAD machines and put them at the terminal, because what we are really doing is trying to take the machine and putting it to a use for which it wasn't designed, and so, when GAO is talking about more research, and they are trying to say that that machine ain't going to do the job, I think they are absolutely right.

Mr. **Coughlin**. So, you are suggesting we should not fund production units.

Mr. **Mineta**. We should fund production of the NEXRAD for what it was.

Mr. **Coughlin**. En route radar?

Mr. **Mineta**. Yes, because that then gives us the technical expertise to go to the next generation, the son of NEXRAD, which is terminal Doppler, and I think in that score my colleague Mr. Brown would be able to add a great deal to that.

[The following additional information was provided for the record:]

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May 1, 1986

Honorable William Lehman
Chairman
Subcommittee on Transportation
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Honorable Lawrence Coughlin
Ranking Minority Member
Subcommittee on Transportation
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Dear Bill and Larry:

I would like to supplement the record of my testimony on Wednesday, April 23, regarding NEXRAD and terminal Doppler radar. Larry asked me a question regarding criticism by GAO of FAA's acquisition strategy for terminal Doppler radar.

I faulted the strategy of taking NEXRAD units and converting them for use in the terminal environment. My criticism should be put in the context that I believe this would be a poor and deficient strategy if this is all we will do toward putting Doppler radar in the terminal environment. I also favor this as a short-term strategy, while terminal Doppler radar technology is completely developed. My concern is that the Administration will not be in favor of funding the terminal Doppler radar program beyond this interim step, and that this interim strategy will become the permanent approach.

My recommendation to you would be to appropriate funds along the lines the FAA proposed to DOT and OMB in the development of the FY 1987 Administration budget -- that is, begin funding the conversion of FAA's initial NEXRAD units and use them on an interim basis in the terminal environment, while also commiting to a program of funding the procurement of Doppler radar units designed specifically for the terminal environment.

Again, I appreciate the opportunity to provide my views to your Subcommittee on the FAA's FY 1987 Appropriations. I will continue to follow your deliberations with keen interest.

Sincerely,

NORMAN Y. MINETA
Chairman
Subcommittee on Aviation

Mr. **Brown**. Well, Mr. Mineta is precisely correct in what he has said. The Doppler technology per se is a developed technology. The terminal Doppler has certain problems which have not yet been solved with regard to the use of this Doppler in an air support setting, where there is a lot of ground clutter and other things of that sort.

And it is these kinds of problems with the terminal Doppler that are the subject of the ongoing research.

It is correct that the NEXRAD system even placed at the airport would not resolve that problem, and what we need to do is proceed with the NEXRAD system on schedule and expedite the solution to these remaining, what I would permanently say rather minor technical aspects of the terminal Doppler system and get that moving as quickly as possible.

Mr. **Coughlin**. Let me turn then to the continuing problem we have had with MLS versus ILS system. The GAO indicated to us that the software was not yet ready for that, and that it did not make a great deal of sense to go into production procurement on the MLS system when the software wasn't ready.

Some outside organizations have testified that in terms of precision landing equipment, the ILS is now equally good or almost equally good to the MLS system, and that the possibility that should be looked at in its entirety, would either of you have a comment on that?

Mr. **Mineta**. I am not that up on MLS, other than the fact I know it is a year behind schedule.

Mr. **Coughlin**. It is more than a year.

Mr. **Mineta**. I think that is again indication of some problems with FAA management. It is a management problem. When you have a project that stretches out that long beyond, I guess what might be considered the IOC, to me that just indicates a management problem.

Mr. **Coughlin**. Did you have any comment, George?

Mr. **Brown**. Mr. Coughlin, I would hesitate to make any authoritative statement on that. We had testimony this morning on this problem, and I have not yet analyzed that testimony in great detail.

What the FAA did, is indicate that they plan to use both of these systems and have them both operating in the same site over a period of time. They are embarked on a rather long-range program here, and it will be a number of years, 10 to 15 years, before it is completed.

But I would not like to make any critical statements at this point, without a further analysis of the testimony I heard this morning.

Mr. **Coughlin**. One of the problems we face is that part of the request is for an additional production run of MLS systems and we will, in the next couple of weeks, have to decide whether to appropriate the money for it.

Any further information you could give us on that would be very helpful.

Mr. **Brown**. I would be glad to provide whatever additional information that we have. I think we can be helpful in that regard.

Mr. **Coughlin**. Thank you, Mr. Chairman.

Mr. **Lehman**. Thank you. You have been very helpful.

Mr. **Brown**. We appreciate the very fine cooperation you and your subcommittee have given on this problem.

Mr. **Mineta**. Absolutely. Thank you very much.

Mr. **Lehman**. Have a nice weekend.

Wednesday, April 23, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

FEDERAL HIGHWAY ADMINISTRATION

WITNESS

ROBERT VAN BROCKLIN, DIRECTOR OF GOVERNMENT AFFAIRS, CITY OF PORTLAND, OREGON

Mr. **Lehman**. Because of the votes we have had, we are about an hour behind schedule, and we have about 12 to 13 more witnesses. Looks like we will be here until between 5:30 and 6. I will stay here all night. I think it would be helpful to everyone, whenever possible, to summarize your statements and let the full statement go into the record, and we can move a little faster.

With that in mind, we will have Mr. Van Brocklin from Portland, Oregon. That is not a mandate.

Mr. **Van Brocklin**. Thank you, Mr. Chairman.

With that in mind, we will be very, very brief today. I would like to thank you, Mr. Chairman, and members of your committee, for their support of our transportation program over the last several years.

We have to summarize my written statement, which I would request be entered in its entirety in the record. We have essentially four major concerns in the area of transportation finance.

The first, to seek an appropriation from section 3 new starts funds in order to substantially complete the project. That project is 98 percent under contract, it is 90 percent complete, is scheduled to open this fall, in September. It is on schedule, it is under budget, it is within budget, and within the federal full funding agreement which our transit agency, Tri-Met, entered into with the federal Department of Transportation.

We, in fact, have opened a portion of the project, and the rail cars are being tested, and the system is being tested for electrification. It is being tested at this time.

Secondly, Mr. Chairman, we would request appropriations of sufficient interstate transfer highway funds to continue our interstate transfer program.

Third, continuation of operating subsidies for public transit systems; and finally, reauthorization of the Surface Transportation Assistance Act with dedicated funding at a level sufficient to permit the program to continue at a level adequate to meet both federal, state and local needs.

I would be happy to answer any questions.

[The prepared statement of Mr. Robert Van Brocklin follows:]

TESTIMONY BY

ROBERT VAN BROCKLIN

DIRECTOR OF GOVERNMENT AFFAIRS

CITY OF PORTLAND, OREGON

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION

OF THE

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON APPROPRIATIONS

THE HONORABLE WILLIAM LEHMAN, CHAIR
APRIL 23, 1986

TESTIMONY BY ROBERT VAN BROCKLIN
PORTLAND, OREGON REGION'S TRANSPORTATION PROGRAM

THANK YOU MR. CHAIRMAN. ON BEHALF OF THE PORTLAND REGION, WHICH I REPRESENT HERE TODAY, I WANT TO THANK YOU AND YOUR DISTINGUISHED COLLEAGUES ON THE APPROPRIATIONS COMMITTEE FOR PROVIDING THIS OPPORTUNITY TO OUTLINE PORTLAND'S FY 87 REQUEST FOR FEDERAL TRANSPORTATION ASSISTANCE.

THE PORTLAND REGION HAS FOUR MAJOR CONCERNS IN THE AREA OF TRANSPORTATION FINANCE:

- FIRST, TO SECURE THE AMOUNT OF SECTION 3 NEW START FUNDS REQUESTED BUT NOT RECEIVED IN FY 86 IN ORDER TO SUBSTANTIALLY COMPLETE THE BANFIELD LIGHTRAIL PROJECT;
- SECOND, THE APPROPRIATION OF SUFFICIENT INTERSTATE TRANSFER HIGHWAY FUNDS TO PERMIT THE PORTLAND REGION'S INTERSTATE SUBSTITUTE HIGHWAY PROGRAM TO CONTINUE ON SCHEDULE;
- THIRD, CONTINUATION OF OPERATING SUBSIDIES FOR PUBLIC TRANSIT SYSTEMS; AND,
- FOURTH, REAUTHORIZATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT, WITH DEDICATED FUNDING AT A LEVEL SUFFICIENT TO PERMIT OREGON'S TRANSIT AND HIGHWAY PROGRAMS TO BE MAINTAINED AT A LEVEL ADEQUATE TO MEET FEDERAL, STATE AND LOCAL NEEDS.

BANFIELD LIGHTRAIL PROJECT

THE PORTLAND REGION IS GRATEFUL FOR THE COMMITTEE'S CONTINUED INTEREST IN, AND SUPPORT OF, THE BANFIELD LIGHTRAIL PROJECT. THE PROJECT IS NOW 98% UNDER CONTRACT, OVER 90% COMPLETE AND SCHEDULED TO BEGIN OPERATION ON TIME IN THE FALL OF THIS YEAR. THE BANFIELD FREEWAY PORTION OF THE PROJECT IS FUNCTIONALLY COMPLETE, WITH ALL CONNECTIONS AND RAMPS NOW OPEN. TRAFFIC IS RUNNING NORMALLY AND SMOOTHLY ALONG THIS RECONSTRUCTED SIX LANE FREEWAY SYSTEM. THE SYSTEM INCLUDES NEW RAMPS, CONNECTIONS AND OVERPASSES WHICH HAVE GREATLY IMPROVED THE SAFETY OF THE SYSTEM WHILE SUBSTANTIALLY REDUCING TRAFFIC CONGESTION.

WORK CONTINUES ON SEVERAL MAJOR PROJECT ELEMENTS OF THE LIGHTRAIL, INCLUDING CONSTRUCTION:

- ALONG THE DOWNTOWN PORTLAND ALIGNMENT;
- ALONG THE SECTIONS ADJACENT TO THE BANFIELD FREEWAY;
- ON THE STEEL BRIDGE, WHICH LINKS THE SYSTEM ON THE EAST SIDE OF THE WILLAMETTE RIVER TO PORTLAND'S DOWNTOWN; AND,
- TO COMPLETE THE LIGHTRAIL PASSENGER STATIONS AND ADJACENT PARK AND RIDE LOTS.

EXTENSIVE TESTING OF THE RAIL CARS AND ELECTRIFICATION SYSTEM CONTINUES ALONG THE COMPLETED PORTIONS OF LIGHTRAIL TRACK.

IN ORDER TO COMPLETE THIS AND OTHER WORK ON THE LIGHTRAIL SYSTEM, THE PORTLAND REGION IS REQUESTING $1.3 MILLION IN SECTION 3 UMTA NEW START FUNDS. THIS FIGURE REPRESENTS THE DIFFERENCE BETWEEN THE REGION'S REQUEST AND THE AMOUNT APPROPRIATED BY CONGRESS IN FY 86. ABSENT EXTRAORDINARY COSTS, SUCH AS SUCCESSFUL CLAIMS, APPROPRIATION OF THIS REQUEST SHOULD SUBSTANTIALLY COMPLETE THE BANFIELD LIGHTRAIL PROJECT. BE ASSURED THAT WE ARE MAKING EVERY EFFORT TO KEEP A TIGHT REIGN ON COSTS IN ORDER TO CREATE AS LITTLE DEMAND AS POSSIBLE FOR SCARCE FEDERAL SECTION 3 NEW START FUNDS.

INTERSTATE HIGHWAY TRANSFER FUNDS

OUR SECOND REQUEST IS FOR ADDITIONAL INTERSTATE TRANSFER HIGHWAY FUNDS IN ORDER TO CONTINUE THE PORTLAND REGION'S HIGHWAY IMPROVEMENT PLAN. OUR HIGHWAY IMPROVEMENT PLAN FOR FY 87 WILL REQUIRE A TOTAL INTERSTATE TRANSFER HIGHWAY FUNDING LEVEL OF $21.5 MILLION. THIS IS THE AGGREGATE AMOUNT, A PORTION OF WHICH WE WILL RECEIVE IN FORMULA GRANTS, AND THE REMAINDER WHICH WE ARE REQUESTING BE MADE AVAILABLE FROM INTERSTATE SUBSTITUTE HIGHWAY DISCRETIONARY FUNDS.

UNDER THE PORTLAND REGION'S CURRENT HIGHWAY PROGRAM, INTERSTATE SUBSTITUTE HIGHWAY FUNDS APPROPRIATED BY CONGRESS TO THE PORTLAND REGION FOR FY 86 WILL BE OBLIGATED BY THE END OF THE CURRENT FISCAL YEAR. HENCE, WE ARE REQUESTING FUNDING TO PERMIT THE OREGON PROGRAM TO CONTINUE ON SCHEDULE.

FEDERAL OPERATING SUBSIDIES

THIRD, THE PORTLAND REGION REQUESTS THE CONTINUED FUNDING OF FEDERAL OPERATING SUBSIDIES FOR MASS TRANSIT. THE PORTLAND REGION'S TRANSIT AGENCY, TRI-MET, HAS A $70 MILLION BUDGET THIS YEAR. LAST YEAR THE AGENCY RECEIVED APPROXIMATELY $4.6 MILLION IN OPERATING SUBSIDIES OR ABOUT 6.6% OF ITS BUDGET. OVER THE PAST THREE YEARS, THE AGENCY HAS RAISED FARES 15%, CUT SERVICE BY 15%, AND INCREASED PRODUCTIVITY. A NEW BOARD APPOINTED BY OREGON GOVERNOR VICTOR ATIYEH IS NOW CONSIDERING ADOPTING A LOCAL INCOME TAX TO FURTHER STABILIZE TRI-MET'S FUNDING BASE.

LAST FALL, A STUDY WAS COMPLETED AND A REPORT PRODUCED BY A "BLUE RIBBON" COMMITTEE OF PUBLIC AND PRIVATE LEADERS IN THE PORTLAND REGION. THE COMMITTEE'S CHARGE WAS TO FURTHER DEFINE TRI-MET'S ROLE AS THE PUBLIC TRANSPORTATION PROVIDER IN THE PORTLAND REGION. THIS STUDY ESTABLISHED THE NEED TO RAISE ADDITIONAL LOCAL REVENUES TO AVOID THE POSSIBILITY OF A DEFICIT AT OUR PUBLIC TRANSIT AGENCY THAT WOULD RESULT IN SEVERE CURTAILMENT OF TRANSIT SERVICES. WE ARE NOT ASKING THE FEDERAL GOVERNMENT TO INCREASE ITS SHARE OF THIS RESPONSIBILITY. WE ARE, HOWEVER, ASKING THAT THE FEDERAL CONTRIBUTION BE MAINTAINED.

REAUTHORIZATION/NEW REVENUES

LASTLY, THE PORTLAND REGION SUPPORTS REAUTHORIZATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT DURING THIS SESSION OF CONGRESS. FEDERAL TRANSPORTATION ASSISTANCE TO STATE AND LOCAL GOVERNMENT IS CRITICAL. WITHOUT CONTINUED SUPPORT, PUBLIC TRANSPORTATION INVESTMENTS NECESSARY TO INDUCE PRIVATE INVESTMENT AND ECONOMIC GROWTH WILL FAIL TO OCCUR. THIS WILL IMPEDE THE EFFICIENT FLOW OF GOODS AND SERVICES THAT ARE FUNDAMENTAL TO SUSTAINED ECONOMIC GROWTH AND PROSPERITY. ACCORDINGLY, ANY REAUTHORIZATION BILL MUST CONTINUE TO PROVIDE ADEQUATE SUPPORT FOR:

- BOTH CAPITAL AND OPERATING NEEDS OF URBAN TRANSIT SYSTEMS;
- LONG-TERM PARTICIPANTS IN THE INTERSTATE TRANSFER HIGHWAY PROGRAM;
- FEDERAL AID TO URBAN SYSTEMS AND RELATED HIGHWAY PROGRAMS TARGETED TO URBAN AREAS; AND
- THE INTERSTATE, HIGHWAY BRIDGE REPAIR, FEDERAL AID TO PRIMARY AND FEDERAL AID TO SECONDARY CATEGORIES.

THANK YOU, MR. CHAIRMAN FOR YOUR COMMITTEE'S THOUGHTFUL CONSIDERATION OF OUR CONCERNS.

Mr. **Lehman**. Well, thank you for your summary, and we have a member on the Appropriations Committee, a colleague, Les AuCoin, who works very closely with this subcommittee on the needs of Portland. You are fortunate to have such a cooperative person representing your area.

Mr. Coughlin?

Mr. **Coughlin**. Thank you. He is also known as Les Banfield AuCoin.

Mr. **Lehman**. Thank you very much.

Wednesday, April 23, 1986.

URBAN MASS TRANSPORTATION ADMINISTRATION

WITNESS

ALAN C. WULKAN, VICE CHAIRMAN, LEGISLATIVE COMMITTEE, AMERICAN PUBLIC TRANSIT ASSOCIATION; AND EXECUTIVE DIRECTOR, CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY, AUSTIN, TEXAS

Mr. **Wulkan**. In light of your previous comment, Mr. Chairman, are there any questions? I am Alan Wulkan, Executive Director, Capital Metropolitan Transportation Authority, Austin, Texas.

Mr. Chairman and Mr. Coughlin, we have a full statement, we will submit it for the record, stating the American Public Transit Association position on mass transit funding and related issues for fiscal year 1987.

But first, I want to acknowledge the very real debt of gratitude that we and our millions of passengers owe to you, Chairman Lehman, and to you, Mr. Coughlin, for the strong bipartisan support this subcommittee has given to mass transit.

Without your leadership, those who would dismantle the federal transit program could have very well claimed victory this past year.

Yes, mass transit took its share of reductions in the 1986 budget and under Gramm-Rudman-Hollings. But the point is: It was a share, not the crippling, disproportionate cut the Administration wanted and still seeks.

Our message today is as it was a year ago: A plea for fairness and equity.

Because federal transit funding has fallen some 24 percent since 1981, we believe the federal commitment must be underwritten this year at not less than current funding levels.

We anticipate that our authorizing committee will, before much longer, report a bill that will extend the federal program in its current form. We applaud that approach because the structure has worked well. It should not be altered and weakened as the administration has proposed.

I want to emphasize the importance of section 9 funds, the bread and butter program benefiting all urban and rural areas of the Nation.

Section 9 is the essence of an intergovernmental partnership that has, for more than a generation, helped to meet transit's fundamental capital and operating needs.

We believe the most significant challenge facing this subcommittee is to establish the level of investment needed to maintain current, basic services and to respond to the needs for expanded service where they occur.

A backlog of transit capital needs has grown significantly in recent years. Urgently needed repair, rehabilitation and replacement are not being accomplished at acceptable rates. And new systems and services to meet demands in high-growth areas are not being advanced in a timely way. An update of our recent capital needs survey shows that annual transit capital needs are as high as $8 billion in 1986 dollars.

With respect to federal operating assistance, we urge you to maintain, at a minimum, the freeze for which you fought so hard last year.

We also ask that you assure equal treatment for nearly 100 small cities which have seen their operating funds cut because of a disparity in the law.

More than $10 billion is spent each year to support transit service and operations. State and local taxpayers provide more than half that amount; riders, an additional 40 percent; while the federal government provides less than 8 percent of operating revenues.

Yet, the contribution of the federal partner remains vital, especially to the medium and small systems which are the backbone of transit in America.

We believe it is imperative to continue the current level of federal investment in transit operations which, in part, underwrites the maintenance of federally-supported equipment as well as the significant costs of compliance with federal requirements.

As transit professionals, we are proud of the substantial strides in cost containment which have been made. Mr. Chairman, we have been good stewards of public funds; our productivity and performance measures are up.

Any indicator of productivity must include passengers since we are, after all, in the business of carrying people. For example, passengers-per-employee increased 14 percent between 1975 and 1980.

Also, the trend in real costs per passenger turned around totally. In the five years following 1985, it decreased nearly 15 percent.

Mr. Chairman, APTA also has developed two valuable new tools to more accurately measure transit cost trends against inflation and whether or not we are competing effectively in the marketplace for goods and services.

Our transit price index is based on the costs of goods and services used specifically in our industry. Using this new measurement, we find that our principal cost changes are actually below the rate of inflation.

A separate market efficiency index helps show that we have been prudent shoppers, often getting materials at below market rates.

Two concluding thoughts on UMTA's program administration and privatization:

There is much that can and should be done to further speed the flow of grant funds which Congress has approved. We are eager to see the initial results of Administrator Stanley's new 90-day grant approval process.

We are hopeful that UMTA may be able to relieve the frustration that many of our members have felt because of the roadblocks and hurdles that have stood between them and their grants. Our written testimony makes more than a dozen recommendations for further improvement.

With regard to privatization, we are against forced quotas and the conditioning of grant approvals on privatization performance. We are for greater integration of public and private transit service when it is the result of good business judgment at the local level.

We are proud of our record of contracting out specialized and regular route services and maintenance and administrative functions and promoting joint development activities.

Private or competitively bid services should be viewed as a supplement to basic public services.

And questions remain: What are the long-term effects of privatization on service delivery and public needs? How do we reconcile privatization with federal requirements such as 13(c), M.B.E., Buy America and Senior and Disabled Services? How will the private sector react to the demands of public accountability?

We would like to explore these issues and more with Congress, the administration and with others to assure that what we do is cost-effective and does not compromise the long-term quality and viability of our services.

Mr. Chairman and Mr. Coughlin, that concludes my remarks. We have on our team here some colleagues of ours: Lewis F. Gould, Jr., Vice Chairman, APTA Intergovernmental Relations Subcommittee, Chairman, Board of Directors, Southeastern Pennsylvania Transportation Authority; James L. O'Sullivan, Vice President, APTA Small Operations, Executive Director, Peninsula Transportation District, Newport News, Virginia; Claude G. Robinson, Vice President, APTA Associate Members, President, Transportation Products Division, American Seating Company, Grand Rapids, Michigan; and Jack R. Gilstrap, Executive Vice President, American Public Transit Association of Washington, D.C.

[The prepared statement of Mr. Alan C. Wulkan follows:]

STATEMENT OF THE AMERICAN PUBLIC TRANSIT ASSOCIATION BEFORE THE SUBCOMMITTEE ON TRANSPORTATION OF THE COMMITTEE ON APPROPRIATIONS

APRIL 23, 1986

INTRODUCTION

Good afternoon Mr. Chairman and members of the Subcommittee. As representatives of the American Public Transit Association, we are pleased to have the opportunity to appear before you today.

The American Public Transit Association represents over 350 bus and rail transit systems across the country which carry 95 percent of all transit riders in the United States. In addition, APTA's membership includes over 490 manufacturers and suppliers of transit equipment, consultants, contractors, state and local departments of transportation, planning agencies, and universities.

We are appearing today to present for the Subcommittee's consideration our views on funding levels for the Fiscal Year 1987 federal transit program. As in past years, members of this Subcommittee and the transit industry are facing renewed pressure from an Administration desiring to drastically reduce if not eliminate federal funding for public transit. We adamantly disagree with the Administration's position and seek the Subcommittee's continued support in maintaining a strong well-balanced federal commitment to public transportation.

APTA, along with a host of other organizations which represent or directly serve the American public, strongly object to proposals which attempt to reduce the deficit and simultaneously restructure federal, state and local relationships by concentrating budget cuts in the already drastically reduced domestic spending area. It has been stated often but bears repeating: the portion of the national budget devoted to domestic discretionary spending continues to shrink and is simply too small to be the central focus of a legitimate deficit reduction effort.

Equity and Fairness

Deficit reduction does deserve serious attention, but the two most basic principles that should guide the deficit reduction effort are fairness and equity. Fairness means that those who have borne the burden of previous cuts should not be asked to bear even a greater burden again. Transit, for example, has already made a substantial contribution through prior cuts - more than $1 billion directly and $2 billion indirectly since 1981. Further massive reductions are grossly unfair to communities and riders who depend daily on basic public transit services.

Equity is equally important, meaning that every element, component and program in the budget should be treated equally or asked to share in the deficit reduction burden. Past spending cuts and current budget proposals continue to be targetted on a very few programs, including transit, and the impacts fall largely on those least able to afford them. The burden of deficit reduction must be shared more widely.

For these reasons, it is our recommendation that transit assistance be at not less than current levels for 1987. With respect to the Mass Transit Account of the Highway Trust Fund, a recent Congressional Budget Office report estimates that the account can support expenditures well in excess of the current authorization. We support authorizations and expenditures for the Section 3 discretionary capital program at levels fully consistent with income and other resources of the account. However, any Section 3 increase must not be a substitute nor a replacement for maximum possible funding of the Section 9 formula program. The combined funding of the two programs falls far short of meeting the capital and operating needs detailed later.

Balance Within the UMTA Programs

Just as importantly, balance and equity must be maintained within and among various elements of the UMTA program as well as between overall transit funding and other federal programs.

The mix of formula and discretionary transit assistance for capital and operations was painstakingly worked out in the Surface Transportation Assistance Act of 1982. Both the Section 9 formula program and the Section 3 discretionary program serve important, legitimate, distinct needs. These two programs, in combination, are necessary to meet America's transit and mobility needs.

Section 9 supports critical operating and maintenance functions as well as routine capital improvements for virtually every urbanized area in the country, as well as over 900 rural systems. The Section 9 program is particularly important to the medium and small bus systems around the country. Further reductions in Section 9 funding would have devastating consequences in these areas, and would greatly restrict the ability of transit systems of all sizes to operate and routinely upgrade equipment and services.

The Section 3 program, in contrast, supports equally critical major capital investments that cannot be adequately addressed through formula distribution of funds. New system development, modernization of existing rail systems and extraordinary bus-related needs can only be handled through a discretionary resource. Consequently, it is our recommendation that the principles of fairness and equity be applied within the UMTA program as well as across the entire budget.

For the past 20 years, the federal government has been an essential catalyst and partner in rebuilding, sustaining and improving basic public transportation services in both urban and rural areas across the country. In 1982, the federal commitment in support of public transportation was strongly reaffirmed and expanded with the enactment of the Surface Transportation Assistance Act of 1982. The challenge before us today is whether that commitment will be sustained with adequate funds or whether the essential federal partnership will be abandoned.

A number of factors bring us to this crossroads today. Not least among them are the budget and deficit pressures that threaten our ability invest adequately in programs, facilities and services that are so vital to our nation's future. In fact, the accumulated deficits since only 1981 have now equalled or exceeded the cumulative deficit since the founding of the country. Clearly, the deficit problem has a significant impact on national policy and spending choices.

A second factor that brings us to a crossroads is our continuing infrastructure crisis. While deficits have grown out of control, we as a nation have actually reduced our investment in essential public services and facilities - our nation's infrastructure. Since 1975, inflation-adjusted investment in essential public facilities and services has declined 30 percent. This chronic under-investment means we have been continually mining and depleting past public investments that have traditionally provided the base for economic growth and expansion. Even in view of our deficit problem, it is vitally important that this past pattern of infrastructure disinvestment be reversed.

A third factor which brings us to the crossroads is the introduction of new intergovernmental philosophies, some of which directly call for the wholesale abandonment of the federal role in a host of domestic programs.

The final and most significant factor is that the federal highway and transit programs are due to expire on October 1, confronting us with the immediate question of how to maintain and extend the long-standing federal commitment to balanced and effective transportation for America.

It is our firm belief that the federal commitment to public transportation must be extended, and must be supported at certainly no less than current funding levels for the immediate future. In view of the need for action on reauthorizing legislation in the next several months and the desire for stability in the flow of federal funds, we strongly urge extension of the federal transit program in its current form without significant change.

It is our belief that the current program has been highly successful, that stewardship of federal resources has been sound and that critical transit investment needs continue to mount, well in excess of current levels of funding from all sources.

THE TRANSIT PROGRAM IN RETROSPECT

Federal investment in public transportation over the period since 1965 has totaled more than $40 billion. In its initial years, federal support sponsored the public acquisition of the vast majority of privately-run transit systems which, in the 1960's and early 1970's, could no longer be responsive to the combined public policy demands and the modern day economics of providing public transportation services. The initial transition to an essential public service took more than 10 years to accomplish. Since the mid-1970's, following this transition, federal support has been the catalyst in the rebirth of public transportation throughout the nation.

When considering the amount of federal assistance that has been made available, it is important to note the critical nature of the investments that have been made and the considerable extent to which these investments have improved the safety, reliability and use of public transit in recent years:

- Since 1965, the nation's entire fleet of transit buses has been replaced at least once as vehicles have reached the end of their useful lives. Over 67,000 new vehicles have been delivered for use;

- Over 6,000 new rail cars have been delivered since 1965 to systems serving the most transit-intensive urban centers of the nation;

- Hundreds of new bus maintenance facilities have been constructed or rehabilitated to help maintain the investment in new rolling stock and support higher levels of safety, comfort and reliability demanded by the public;

- Totally new systems and services have been developed in urbanized areas which before were without any service, leaving residents totally dependent on the automobile;

  Nearly 1,000 new systems and services have been started and are now serving rural areas around the country; an equal number of special service systems for elderly and disabled persons are now in operation because of the federal investment;

- Critical major reinvestment and modernization have been made possible in eight of the nation's largest areas where rail services and facilities, often dating from the early 1900's, serve millions of riders daily;

- New high-capacity fixed guideway systems are now in operation in seven additional areas, with construction well underway in several others and advanced planning and engineering taking place in a dozen more.

These investments have been made not only to address immediate needs, but also with an eye to the future, when the availability of balanced transportation services will no longer be an option, but a necessity in order to sustain local, regional and, therefore, national economic vitality.

The federal investment made to date has not only replaced, revitalized and expanded essential transit facilities and services, it has prompted billions of dollars in new and more efficient economic development, supported millions of jobs and promoted increases in transit ridership.

The significant transit ridership increases have been the subject of some confusion, however. The Administration has often suggested that transit use is not significant and that public transit does not contribute in any significant way to reducing urban congestion. The basis for these observations has been statistics on the percentage of total trips made on transit, nationwide. These percentages are extremely misleading, however, and provide a very incomplete basis for national program and policy decisions.

First, the importance of public transit is not to be measured only in "percent of trips", but rather by the increasing numbers of people riding and who those riders are. DOT's own reports to Congress document the very high proportion of transit ridership among low income individuals. In the 1984 Section 310 report, the Administration noted that 71% of transit riders earn less than $20,000 and 40% earn less than $10,000.

A second concern is that the ridership statistics cited by the Administration are national aggregate figures which have little relevance in assessing the vital role of transit in reducing peak period traffic congestion where congestion problems are most severe. Averaging total transit use or work trip transit use over the entire nation and declaring it insignificant is like averaging out total rush-hour automobile travel over the entire national street and highway network and suggesting there is no congestion problem.

Transit, particularly peak hour transit service, is absolutely vital in virtually all the most heavily traveled corridors and urban areas of the country. The importance and role of transit must be analyzed at this level, as well as through the use of national aggregate figures if misleading and incorrect results are to be avoided. For instance, census figures from 1970 to 1980 showed a decline in the percentage of workers using transit to get to work (the absolute number of riders, however, increased). If, however, data from just three of the nation's most heavily transit-dependent urbanized areas, are excluded, the national aggregate figures show an overall increase from 1970 to 1980 in the percentage of workers using transit for the nation as a whole. The point is that great care must be taken in using national aggregate figures and understanding the underlying activity being measured.

A recent study sponsored by UMTA and conducted by the University of Pennsylvania provides a new insight on the importance of worktrip transit use which reinforces the industry's own assessment. In speaking about the loss of transit services and the impact on congestion and our nation's cities, Professor Stephen Putnam suggests that, "the ensuing switch from bus and train to car that would be caused by transit's elimination would be disastrous."(1)

Perhaps more telling is data from the National Personal Transportation Study, published in November, 1985 showing that despite trends from the past decade, more recent information indicates that the percent of workers using transit to get to work increased from 1977 to 1983.

In view of the preceeding discussion, we believe it is clear that the achievements of the federal transit program over the past 20 years have been positive and considerable. From the point of view of the riders, taxpayers and communities now being served there is little or no evidence that the federal role in the transit partnership should be changed significantly or abandoned. Past investments have been badly needed, they have been made wisely and prudently and they have had a decidedly positive benefit and impact that will continue into the future.

STEWARDSHIP OF FEDERAL RESOURCES

The accomplishments that have occurred under the federal transit program are not limited to a strict accounting of the materials and equipment that have been purchased, updated and put into public service. It is equally important to point out that the deployment and continued use of federal resources, in combination with expanding state and local resources, particularly in recent years, has been carried out with significant improvements in productivity and performance.

In their joint efforts to effectively and efficiently meet the mobility requirements and the related goals of their respective communities, transit policy makers, managers and employees have been extremely good stewards of public funds. This is best shown by contrasting performance and productivity trends in transit before and after 1975, the year in which the federal transit program matured into a broad-based source of support, providing assistance for both capital investment and transit operations.(2)

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(1)"Stating the Obvious," Mass Transit. March, 1986, p. 38.

Productivity. In public transit, productivity typically is expressed in terms of labor productivity, or the amount of output per employee. Among the measures of transit productivity, the two most common are passengers per employee and vehicle-miles per employee.

Between 1970 and 1975, before the enactment of federal operating assistance, and as the difficult transition from private service to public service was winding down, productivity trends were negative, as might be expected during the restructuring of any industry. However, from 1975 to 1980, as the federal transit program grew and matured along with the public systems, productivity trends changed dramatically. The rate of decline in vehicle-miles per employee from 1970 to 1975 was cut nearly in half during the following five year period, 1975-1980.

More importantly, the declining trend in passengers per employee during the earlier period was totally reversed. The 7.6% decline from 1970 to 1975 was turned into a 14.4% increase in passengers per employee between 1975 and 1980. Since the object of any transportation system is the movement of people, the most appropriate and significant measures of productivity are those tied to the number of passengers carried. Measured in these terms, the productivity trend in public transit has been decidedly positive in recent years.

Efficiency. Efficiency is most often defined as the ratio of costs or expenses to the amount of service produced. The two principle measures of economic efficiency in public transit are cost per passenger and cost per vehicle-mile, both adjusted to account for inflation. In both cases the experience after 1975, which coincides with the greatest growth and expansion of the federal transit program, has been decidedly positive.

Before 1975, the real costs per vehicle-mile rose 33% in the five-year period. In the five-year period after 1975, real costs per vehicle mile registered no increase.

More importantly, the trend in real costs per passenger turned totally around. In the five-years before 1975, real cost per passenger had increased 36%; in the five years following 1975, real cost per passenger had decreased nearly 15%.

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(2)The material presented in the following discussion is excerpted from "Transit Performance and Productivity 1975-1980: Improvements Through the Intergovernmental Partnership, "American Public Transit Association, May, 1985.

Effectiveness. Effectiveness reflects the degree of success in attracting passengers to use the service that is provided, and is expressed as passengers per vehicle-mile. Only through careful responsive marketing, route planning and scheduling can transit effectiveness be increased.

As the industry went through the final phases of restructuring, effectiveness measured in terms of passengers per vehicle-mile declined approximately 2% from 1970 to 1975. From 1975 to 1980, however, as services began to mature and new management, planning and marketing skills were brought to bear along with increased governmental support at all levels, passengers per vehicle-mile rose substantially, by over 18%.

The evidence is clear - dramatic improvements in transit productivity and performance, measured in terms most meaningful to transit's basic mission, i.e. carrying people, began to occur coincidently with the provision of the broad-based program of federal transit assistance that is now set to expire on September 30, this year.

In assessing these very positive trends, UMTA staff has provided comments on the findings contained in APTA's recent productivity report, stating their belief that the report, "takes a thoughtful and reasonable approach to various aspects of transit industry internal performance."

There were several points made in UMTA's comments, however, which indicate the complexity of the issues involved.

It is important to note that UMTA not only agreed with the industry's method of analyzing efficiency and effectiveness, but they also, in their own recalculations found a substantial improvement in transit service effectiveness similar to the results reported in our work. UMTA continues to feel, however, that labor productivity is most appropriately expressed in terms of vehicle-miles per employee rather than passengers per employee.

It is our continuing belief that carrying people is the major objective of public transit. Consequently, we feel that measures used to gauge performance and productivity should directly reflect this objective. As a practical matter, it makes little sense to do otherwise. For example, if the extra mile of transit service is made available in an area which attracts no passengers, the increase in vehicle-miles per employee that might result cannot be said to be more productive, a conclusion that could come from the use of the vehicle-mile per employee measure.

John Kendrick, one of the most recognized authorities in measuring productivity , in fact, used a passenger-related definition as the best measure of output in the national transportation study. A recent report sponsored by UMTA recognized the validity of Kendrick's approach, indicating that Kendrick is "essentially correct," that from a nationwide point of view, the passengers carried must be viewed as the desired output of transportation activity. Sources from both of the above observations are contained in the previously referenced APTA report.

Overall, we believe that the positive productivity and performance trends highlighted above accurately reflect what has been taking place in the industry.

Effects of Inflation on Transit. Too frequently, critics of public transit have analyzed transit performance by comparing cost trends in the industry to changes in the Consumer Price Index (CPI) or other measures of general inflation such as the GNP deflator. This issue was raised by UMTA, in its review of APTA's productivity report. Closer consideration, however, indicates that neither the CPI nor the GNP deflator provide an appropriate basis for comparison, since the components that make up these indices do not reflect the goods required to produce transit services. The CPI, for example, is made up of those goods and services typically utilized by the average household. Housing costs, for instance, make up nearly 44% of the index; food and beverages 19% and so on. The mix of goods and services used in providing transit services is substantially different.

To more accurately measure the relationship of inflation to the cost of providing transit services, APTA has developed a Transit Price Index (TPI), similar to specialized indices already developed for other industries. The TPI measures price changes in the mix of goods and services specifically used by transit systems. When the TPI is compared with either the CPI or GNP deflator, it is clear why transit costs have risen faster than these indices. Very simply, the costs of inputs needed to provide public transportation have historically risen 10% faster than the general rate of inflation, as measured by the CPI, and by an even a larger amount compared to the broader GNP deflator. More to the point, trends in transit cost-related ratios which appear to be negative when calculated and adjusted using the CPI or the GNP deflator, in fact, show favorable trends when the more accurate and appropriate TPI is used in the analysis.

For instance, real cost per vehicle-mile between 1975 and 1984 increased 4.3% and 13.4% when adjusted for inflation using the CPI and the GNP deflator, respectively. By comparison, cost per vehicle-mile over the same period actually decreased 1.4% when adjusted for inflation using the TPI.

Development of the TPI will be reported more fully in an upcoming APTA report. It will allow both more accurate interpretation of trends in transit service delivery as well as provide an important budget planning tool for transit managers.

Transit Managers as Effective Purchasers in the Market. In conjunction with development of the TPI, a separate analysis was under taken to determine whether transit managers are competing effectively in the market place for the goods and services they purchase. To make this assessment, a separate Market Efficiency Index was developed, (MEI). The MEI measures the general cost trends of various goods and services needed to provide public transit *as they have prevailed in the free market*. Growth in the TPI - the amount transit managers have actually paid - compared with growth in the MEI - the open-market price - indicates the extent to which transit managers have been prudent buyers in the market place.

The results are quite revealing. From 1980 to 1984, the TPI, or the change in the price actually paid for all items rose only 31.7% while the MEI, or the change in the open market price rose 35.1 %. With respect to labor, the TPI rose only 29.7% while the MEI rose 35.2%. These findings, also to be presented and described in detail in an upcoming report, indicate that transit managers have been *extremely successful* in restraining the growth of both unit labor costs and the unit costs of other inputs at levels *below* the prevailing market rates.

For instance, annual average wage increases in the twenty-five largest transit systems compare very favorably with wage settlements in the private sector. The figures below highlight cumulative annual wage increases from 1976 to 1982:

Manufacturing	82.1%
Transportation and Public Utilities	81.4%
Non-Manufacturing (Excluding Construction)	77.0%
Major Collective Bargaining Agreements (All Industries)	77.0%
Transit (25 largest systems)	68.6%

In looking at average hourly earnings in other heavily unionized industries, the positive pattern in the transit industry is also evident. Summarized below are the cummulative average hourly increases in earnings for eleven heavily unionized industries, including transit, from 1975 to 1982:

Petroleum	94.7%
Paper	91.4%
Primary Metals	88.0%
Transportation-Equipment	86.5%
Mining	86.1%
Stone, Clay, Glass	84.1%

Transportation, Utilities	79.4%
Durable Goods	78.8%
Fabricated Metals	77.7%
TRANSIT	75.6%
Food	73.9%

In addition to responsible management of wages, transit managers and employees have made other highly significant strides, including increases in the use of part-time labor, increased contracting with the private sector for a range of services and functions and the elimination of automatic cost-of-living adjustments (COLA's). In fact, the percent of workers now covered by COLA's in the largest bargaining units throughout the transit industry has declined to one-third, a level lower than found in similar large bargaining units in private industry.

In summary, trends in the industry very clearly indicate that greatly improved productivity and performance can and, in fact, have been achieved as federal support for transit has grown and matured.

TRANSIT INVESTMENT NEEDS.

Although a review of past efforts and trends is an important step in determining the future course of the federal transit program, the most significant issue is establishing the level of investment needed to maintain current, basic levels of service and respond to needs for expanded service where they occur.

Transit Capital Investment Needs. In 1983 and 1984, APTA undertook an exhaustive capital needs survey to identify the levels of capital investment needed in each of the succeeding five years to maintain current services and to provide for expanded services where expansion was considered necessary.

The results of the survey indicated that $36.4 billion in capital investment was required over the five-year period. By mode and type of project, the needs were broken down as indicated in Table 1.

Table 1
FIVE YEAR TRANSIT CAPITAL NEEDS (Millions)

Project Type	Capital Needs (1984 Dollars)
Bus	$7,725
Facilities	3,929
Vehicles	3,796
Rail	$28,730
Modernization	15,088
Extensions	3,783
New Systems	9,859
Total	$36,455

The survey results, now two years old, continue to provide the best (and only) comprehensive assessment of transit capital investment needs available.(3) Overall, the annual capital investment requirement averages $7.3 billion per year, 1984-1988. In understanding the implications of these estimates for future years, it is important to note that actual appropriated federal funding for 1984, 1985 and 1986 represents less than 40% of the funds required to meet projected needs. Even assuming that federal assistance were to provide for 70% of needed capital investment (a level consistent with recent experience in the UMTA capital programs), appropriated federal funding would support only slightly more than half (56%) of the capital investment that was needed over the last three years.

It should be clear that the backlog of transit capital needs has continued to grow significantly in recent years. Urgently needed repair, rehabilitation and replacement are not being accomplished at acceptable rates and new systems and services needed to meet growing demands in certain areas are not being advanced in a timely way. This leaves a growing backlog with added costs for future years, in addition to the routine cycle of annual capital investments that must and should be made.

Capital Needs: 1987-1991. In looking ahead to the implications of these estimates for the future, it is possible to establish a range of capital needs based on varying assumptions. For instance, if the level of annual capital investment through 1991 is assumed to be roughly equivalent to that estimated in the prior survey, i.e. $7.3 billion per year, updated annual needs would total nearly $7.9 billion in 1986 dollars.

More conservative assumptions can be applied, i.e. greater reliance on rehabilitation rather than new equipment purchases, attention only to investments needed to maintain current services and meet existing demands, etc. In no case, however, do these and other similar conservative assumptions result in capital investment needs of less than $6 billion per year.

Sophisticated reassessment of the nation's transit capital needs is not necessary to establish the fact that even at current funding levels, federal capital assistance is far from adequate in addressing the projected capital investment needed over the next five years. The severe investment shortfall that is already occurring must be a prime consideration in reauthorization.

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(3) UMTA has completed considerable work on a study estimating national rail modernization needs originally requested by Congress in 1979. As yet no results of this effort have been released. Indications are, however, that they do not vary markedly with estimates obtained in the APTA survey.

Operating Requirements. Over $10 billion is spent annually throughout the country to support public transportation service and operations. The provision of public transportation services remains highly labor-intensive with labor representing nearly 3/4 of total operating costs.

Despite the substantial strides in cost-control noted earlier, operating budgets remain tight and the pressure on state and local governments is severe. Today, state and local taxpayers provide over 50% of the funding needed to support public transit system operations. Riders provide an additional 40% through fares while the federal government provides less than 8% of operating revenues. Yet, the contribution of the federal partner remains critical. For medium and smaller systems this is particularly true, with federal operating support frequently accounting for 30% to 35% of total system revenues.

The continuation of the federal operating program at the levels established in the STAA is central to the retention of a balanced, broad-based and effective federal program. Pressure on state and local government budgets from recent declines in all types of federal assistance, as well as potential restrictions on local revenue-raising being discussed as part of tax reform initiatives, makes it virtually impossible to fully replace all federal support with state or local sources for any programs. This is certainly true with respect to support for public transit.

The problem has been made worse by persistent economic decline in particular industries and regions of the country. As recently as last month, the National Governor's Association reported that 17 states have experienced revenue shortfalls severe enough to prompt significant state-level budget reductions since the beginning of fiscal year 1986. Overall, state general fund balances for fiscal 1986 are projected to be less than half the amount considered prudent in financial circles.

Under the circumstances, it is vital to continue the current modest federal investment in transit operations which, in part, underwrites the maintenance of federally-supported capital equipment as well as the significant costs of compliance with federal requirements and regulations. As transit operating requirements continue to grow, the federal contribution will continue to decrease in percentage terms and in lost purchasing power.

MEETING TRANSIT NEEDS: THE FEDERAL PARTNERSHIP.

The federal transit program has evolved into an important and positive force for improving and expanding public transportation services and ensuring basic mobility in both urban and rural communities throughout the nation. The

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transit program is a well-balanced, effective partnership. State and local sources provide 42% of combined capital and operating support, fares account for 30.5% and federal assistance provides 27.5% of combined capital and operating needs.

This partnership has matured with the enactment of the Surface Transportation Assistance Act of 1982. The STAA established new program structure and allocation mechanisms, introduced a dedicated source of funds, outlined a firm and growing financial commitment and set in place a new, less intrusive and more flexible management philosophy.

APTA and its members firmly supported passage of the STAA and believe that it represents a sound, effective mechanism through which to continue the federal partnership in transit.

Program Management. As we consider how best to meet our nation's transit and mobility needs, it is important to note that the STAA has been effectively in place only two years. In fact, updated directives and guidance on how various aspects of the program are to be handled are still being developed or have only been in place a short time. For instance, revised guidance on the submission of one-time standard assurances to reduce paperwork were only issued in February, 1985; procedures to guide the conduct of triennial reviews, a major step in shifting to a simpler, post-award program management approach, were only issued in May, 1985; new controversial policy and documentation requirements for private enterprise participation were issued and made effective within the past year, etc.

In reviewing the progress to date in implementing the STAA, we believe that the program structure is sound and that the distribution mechanisms are equitable, given adequate levels of funding. We believe that the basic program in existence today should be continued and that continued attention be paid to seeing that the overall program management philosophy and objectives of the STAA are met.

With respect to program management, we have noted increasing frustration and uncertainty on the part of UMTA grantees in their attempts to secure timely and consistent action, guidance and funding commitments from UMTA. Since the program certainly is not yet mature from an administrative and management standpoint, we believe that considerable additional attention should be paid to questions of program management.

APTA and its members have committed themselves to responsibly and thoroughly review with UMTA the many issues that remain to be solved in the program management area. We believe Congress should be a part of this reexamination, as well. It is our belief that the basic philosophy around which the STAA was crafted - one of less federal intrusion, greater local authority, less federal proscriptiveness and more streamlined delivery of federal resources - has not been realized.

Last year, in testimony presented before the Subcommittee on Surface Transportation of the House Committee on Public Works and Transportation, APTA addressed itself to similar program management concerns and proposed a number of specific steps for consideration in reauthorizing legislation. Included among the recommendations were suggestions to:

1) assure more timely apportionment of both current year funds and lapsed funds;

2) provide more timely and complete expressions of UMTA priorities for each year;

3) revise the Section 15 reporting requirement;

4) provide timely and more complete reports on the obligation status and release of UMTA funds;

5) make section 3 funds available more expeditiously during the year they are appropriated;

6) fully empower UMTA regional offices to take final action on program decisions; and,

7) improve the timeliness, content, consistency and interrelationship of UMTA policies, procedures, regulations and guidance.

Attached to our statement today is material excerpted from last year's testimony before the Congress, including a background paper highlighting the complexities of the UMTA process and issues related to the flow of UMTA funds.

Meeting Transit Needs Through Privatization and Competition. A great deal of attention has been paid recently to the notion of introducing greater private involvement in the provision of public transit services, or at least increasing the extent of competition in the delivery of transit services. Despite the changing rhetoric and the confusion that has arisen as the Administration has attempted to describe exactly what it means, there is little disagreement in the public transit community that better integration of the public and private sectors is a sound management practice.

APTA and the industry as a whole are extremely proud of the organizations, that today, are singled out as examples of how to make this integration happen in a practical and responsible way. In fact, the transit industry has, for years sought out and successfully developed means to more closely tie public and private interests together to serve public needs. The breadth of these activities is considerable and is often overlooked. With rare exception, they have been carried out not because of federal laws or mandates, but because it makes good business sense and good public policy. Past and continuing examples of public-private integration include:

1) Increasing private business involvement in sponsoring and subsidizing employee passes, despite current tax laws which act as a strong disincentive;

2) Increasing private investment in major transit capital projects through joint development activities, benefit assessment districts, leasing arrangements, etc. again, despite the Administration's proposed changes in tax law that would dramatically reduce the private incentives to make such investments;

3) Continued increases in contracting the entire range of transit-related functions to private or other providers, including regular route services, special services for the elderly and disabled, maintenance functions and administrative services.

It should be noted, however, that privatization is not for everyone - a sentiment surprisingly echoed by an UMTA official only weeks ago in addressing a group of smaller public transit system operators. Secondly, privatization is not a substitute for continuation of a broad-based program of federal assistance. Public and private industry representatives alike agree on the basic framework under which public and private partnerships will evolve: private or competitively bid services should be viewed as a supplement to basic publicly-operated systems and services; and, the introduction of unbridled competition and unconstrained open entry may, in fact, damage rather than promote the emergence of thoughtful, efficient and cooperative relationships and stable services that are essential to both public and private sectors.

With this basic framework in mind, the public transit industry has attempted to focus on solving the practical, "how to" problems that must be addressed if further progress is to be made in integrating the public and private sectors. UMTA has expressed its concern in this area, as well, but as yet, little in the way of practical assistance or meaningful clarifications have been developed.

As an example, the intense promotion of the privatization/competition idea has left some urgent and important questions unaddressed. For instance:

1) If short-term economic advantage can be gained, what are the long-term impacts? How can effective private involvement or a competitive environment be sustained

over the long-term? How can stability in services and operations best be sustained over the long-term? Some of the experiences, notably in Westchester County, New York where 100 percent of the service has been contracted for ten years, have raised considerable questions as to the long-term effects of what is being so heavily promoted as a short-term advantage. More consideration needs to be given to identifying and assessing the long-term impacts and preparing transit providers, both public and private, to anticipate and address long-term issues;

2) To what extent are the myriad federal requirements that exist today to be shared, passed-on or waived when private or other providers enter into contractual relationships with public agencies using federal funds. Labor protection issues are a major practical problem, as are requirements related to civil rights, Buy America, elderly and disabled services, disadvantaged business involvement, procurement, auditing, reporting, etc. None of the practical questions related to these issues have yet been addressed satisfactorily;

3) What is the likely and realistic response of the private sector when the nature of public accountability and the public process is fully revealed, i.e. the often-times drawn-out process of public planning, programming, budgeting, public involvement, etc? In same cases, interest by private providers has disappeared when they have been confronted with: specifications that are responsive fully to public policy; the scrutiny demanded with the use of public funds; and, the regulatory burdens that are involved. In many cases, only the largest and most sophisticated private enterprises exhibit legitimate or sustained interest.

These are just a few of the critical questions that need to be addressed. In doing so, the proper objective in the eyes of the industry is to control and reduce cost while maintaining the quality and quantity of service demanded by the public. Privatization and increased competition is only one of a series of useful tools in pursuing these ends.

We and our individual members have provided UMTA with extensive comments on how the public interest can best be served in the area of privatization. Copies of our comments on recently issued UMTA guidance are attached to our statement, expanding on the issues raised here.

Urban Mobility Block Grant. The only other reauthorizing proposal that has taken shape to date is the Urban Mobility Block Grant offered by the Administration.

The block grant is apparently intended to serve two objectives. First, it is designed to provide the vehicle for near total withdrawal of federal funding for transit. Second, it is designed to provide the vehicle for pursuing the "new federalism" agenda by which the current intergovernmental partnership, and particularly the federal role in both highways and transit would be substantially altered, if not effectively abandoned. Neither of these objectives, nor the proposal itself, is meaningful in addressing the basic question of how best to meet the nation's public transportation needs.

In specific terms, we have the following objections to the Administration's proposal:

1) Total restructuring of the program is not necessary or desirable to meet basic transit needs;

2) Funding levels are wholly inadequate. Only the $1.1 billion in annual revenues accruing to the Mass Transit Account of the Highway Trust Fund are available to be combined with reduced highway funds, without any assurance whatsoever that any funding would be available to support public transit services.

   Even if the full amount of funds from the Mass Transit Account were available for transit use under the block grant, the reduction from current levels would approach 70%.

3) Total reliance on a formula to distribute funds is ineffective and shortsighted. A discretionary program is essential to ensure that funds can be directed in a timely way to where they are needed most. The suggestion that "equity" or "fair share" concerns are best met through formula distribution is simply poor public policy. It is more appropriate and responsible to view equity in terms of the degree to which needs are being met, through the combination of formula and discretionary funding.

4) The suggestion that long-standing institutional arrangements and decision-making processes at the state and local level are inefficient and ineffective, and that local, state and federal relationships must be drastically restructured is unwarranted and far too extreme.

   Local, state and federal officials all share a desire for greater decision-making authority and increased flexibility at the local level. Dictating major upheavals in intergovernmental relationships via federal legislation, however, is simply unnecessary. Many of the mutual objectives related to greater flexibility could be met or substantial progress made through good faith efforts in program management and administrative areas within the current program, without the need for legislation.

5) Specific efforts to legislatively correct problems in administrative procedures or to legislate additional mandates that further interfere with local decision-making are unacceptable.

In the area of labor protection, the Administration proposes legislative repeal of Section 13(c) of the UMT Act. It is the industry's long-held view, however, that no change is needed in the statutory language of the Act. To the extent that problems have arisen in the implementation of the 13(c) provisions, they have developed from evolving administrative practice and should be resolved through revised administrative procedures. This approach has not yet been aggressively pursued within the Administration and no legislative effort should be considered until options for administrative relief or reform have been exhausted. We have, in fact, reiterated our desire to initiate serious efforts at administrative reform of 13(c) through the attached requests to Secretary Dole and Secretary Brock.

With respect to "privatization," the Administration proposes to require private sector membership on transit policy boards where not precluded by State or local law. In addition, the proposal would condition the award of federal funds on achieving a quota with respect to the amount of competitively bid contracting that is carried out annually. Both provisions represent a totally unwarranted intrusion into local decision-making.

In the first place, there already exist as a matter of long-standing federal law and regulation, extensive public involvement procedures and requirements. It is simply improper to require special treatment and a separate consultative mechanism designed exclusively to engage only private operators.

With respect to the quotas for competitive bidding and contracting, it has properly been the view of the Congress, restated in December, 1985, that the federal government remain neutral with respect to who provides the services. By directly or indirectly dictating either the outcome of the bidding process or the procedures to be used, the Administration's proposals stand in direct conflict with the principle of neutrality. Statutory quotas and mandates are not necessary or desirable to promote greater consideration of private sector involvement.

Finally, the block grant proposal contains a flat prohibition on the provision of charter services by public agencies using federally-funded vehicles.

It is ironic that while the Administration calls for greater entrepreneurial spirit and business-like practices in the public sector, tney foreclose the options to do so in transit. It is equally ironic that greater reliance on non-federal revenues and user fees is expected, yet alternative revenue-raising options like charter service are to be prohibited or severely restricted.

The same contradictions that are contained in the Administration's legislative proposal are, unfortunately, contained in a recently proposed UMTA regulation restricting charter bus activities under current law. One can only ask, why is "competition" the guiding principle in the privatization initiative but prohibited in the charter regulation? Why are "fully allocated costs" to be the central feature in comparing competitive bids under the privatization policy, but considered to be unworkable as an element of the current charter regulation? How can UMTA staff assume the role of reviewer and assimilator of massive amounts of documentation on private sector involvement but be unable, as stated in the proposed charter rule, to handle the current minimal flow of information required as part of the existing charter regulation.

These few examples have been raised only to highlight the many questionable features that are contained in the block grant proposal. It is our view that the proposal itself does not warrant consideration.

Conclusion

In summary, we believe the structure of the current program is sound, the distribution mechanisms are fair and the institutional framework and process embodied in the current Act are appropriate. The critical issues are those dealing with funding levels and program management.

We are highly cognizant of the deficit problem and its significance and have every confidence that Congress and the American people will, together, find an equitable solution. We are equally confident, however, that the solution does not lie in the abandonment of urgently needed federal leadership and investment in public transportation and our nation's other infrastructure systems.

In the long term, there could be a considerable advantage in moving the current federal transit program out of the general fund and entirely on to a dedicated source of funding. Such a move could promote much-needed stability across the country in efforts to provide basic transit services and improve overall mobility. Until such a step can be reasonably contemplated, we urge members of the Subcommittee to reaffirm the long-standing federal commitment to public transportation by appropriating funds at not less than current levels.

ATTACHMENT 1

The following is excerpted from Testimony by the American Public Transit Association before the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation, United States House of Representatives, Honorable Glenn M. Anderson, Chairman, May 16, 1985.

OTHER ISSUES TO BE ADDRESSED: IMPROVING THE FLOW OF FUNDS

In addition to the elements previously contained in H.R. 5504, there are a number of other issues that we believe require consideration and action as part of the reauthorization effort.

One of our principle concerns is that the flow of funds in the UMTA program continue to be improved, consistent with what we believe was one of the basic objectives of the STAA. In addition to our commitment to H.R. 5504 and the continued exploration of long-term directions in the federal program, the APTA Chairman's Blue Ribbon Commission identified as one of its top priorities the need to concentrate on means by which to promote more effective and efficient use of federal funds. The Administration's highly misleading references to the pace of obligations and expenditures in the transit program has crystalized the importance of improving both the flow of funds and federal program management.(2)

Recommendations Regarding the Flow of UMTA Funds

A variety of steps should be taken in the development of reauthorization legislation to expedite, simplify and routinize the flow of federal transit funds. These include:

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(2) Attached to this statement is a background paper intended to clarify several critical questions concerning the pattern of both obligations and expenditures in the UMTA program.

1. Requiring apportionment of UMTA formula funds on October 1. UMTA formula apportionments have routinely been delayed 2 to 4 weeks or more following the start of the fiscal year. To expedite the preparation of local capital programs and grant requests, it may be helpful for local officials to be made aware of the level of available UMTA funds immediately on the commencement of the federal fiscal year. Title 23 USC 104(b) requires FHWA to make its apportionments on October 1. Similar provisions should be considered for the transit program.

2. October 1 notification of UMTA program priorities. Annually, UMTA prepares for internal and external use various statements which represent its goals, priorities and/or emphasis areas for the use of various program funds. Publication in the Federal Register and distribution of these statements to all grantees should also be required at the start of the fiscal year to expedite program development at the local level.

3. Revisions to Section 15. The preparation, submission and verification of Section 15 data represents a major task. To minimize the burden imposed on operators and to reduce the time required for collection, verification and publication of the data, UMTA should be encouraged to consolidate and simplify reporting requirements. Only data that flows normally from a transit system's own internal reporting system should be required under Section 15.

   Also, the collection of Section 15 data necessary for the formula apportionment of UMTA funds should be separated from collection of other Section 15 data. This would allow more timely apportionment of funds by eliminating delays in the collection and verification of data not necessary for apportionment purposes.

4. Provision for partial approval of Programs of Projects. Originally, the development of a single Program of Projects under Section 9 was considered an important feature in reducing the number of grant approval actions and streamlining program delivery. UMTA program management philosophy has, therefore, explicitly attempted to direct grantees to submit a single Section 9 grant and Program of Projects. However, operating assistance projects and individual capital projects are not necessarily developed on identical timetables. Therefore, the potential result of requiring a single Program of Projects is often to delay the approval of any individual project until all projects are ready. Since individual

projects are already justified, reviewed and approved when the Annual Element of a Transportation Improvement Program is approved by UMTA, the pace and sequencing of actual grant submittal should be left to the recipient, without interference or delay by UMTA.

To clarify and resolve this problem and avoid delays in project approval and the obligation of funds, it may be appropriate to include in statutory language, phrasing similar to that contained in 23 USC 105(a) and 106(a) which applies to the highway program, i.e. "...The Secretary may approve a program in whole or in part," and, "...The Secretary shall act upon such surveys, plans, specifications and estimates' as soon as practicable after the same have been submitted, and his approval of any such project shall be deemed a contractual obligation..." (Emphasis added).

5. Time requirement for reapportionment of lapsed funds. Most UMTA formula funds have been available to grantees for three years following the year in which they were appropriated. Following this period, most of the funds not obligated are statutorily required to be reapportioned. Funds first made available in 1975 and which lapsed at the end of fiscal 1978, therefore, should have been reapportioned for use in 1979. A similar reapportionment action should have been taken in each year since 1979.

To our knowledge, however, UMTA has never made such a reapportionment. The result is that lapsed funds have been denied to systems which could obviously have used them. In addition, the amount of recorded "carryover" funds (i.e. funds not obligated) has been artifically inflated. UMTA estimates there is over $90 million now eligible for reapportionment.

To ensure this situation does not continue or does not re-occur intermittantly, UMTA should be required to make the necessary reapportionment within 30 days following the end of each fiscal year.

6. Quarterly reports on obligation levels under Section 4(h)1. Timely preparation and transmittal of the quarterly reports required under Section 4(h)1 should be assured and copies directly sent to both authorizing and appropriations committees. Also, these reports should provide summaries on a regional basis.

7. Establishment of Section 3 obligation targets by quarter. Historically, the majority of Section 3 funds have not been obligated until the very end of the fiscal year in which they are appropriated. In 1984, 60 percent of the funds were obligated in the last quarter; 50 percent in the last month; and, 33 percent in the last three days. The result is that the expenditure of funds is significantly delayed i many cases.

   To expedite the commitment and utilization of funds, it may be appropriate to establish quarterly obligation target or goals for Section 3. Progress against these targets could then be monitored through the quarterly reporting process noted in item 6, above.

8. Broader Use of Letter-of-No-Prejudice. Letters-of-No-Preju (LNOP's) provide formal recognition by UMTA that particula projects or project costs represent eligible expenditures for which reimbursement may later be claimed in future UMT grants. The LNOP process has, in the past, often allowed grantees to go forward with critical projects using local funds, despite procedural delays in actual federal grant submission and approval. In this way, project implementa can be speeded up, costs reduced and committed non-federa funds can be put to more expeditious use.

   On October 21, 1982, however, UMTA issued a new policy that severely restricts the use of LNOP's to "extenuating circumstances," to be negotiated on a "case-by-case basis' and authorized only through the execution of a "Joint Statement of Understanding" with UMTA. We believe these restrictions are unwarranted, that they constitute a constraint on the commitment of local funds and, ultimatel promote unnecessary project delays and cost increases.

   We would urge the Subcommittee to adopt provisions allowing a much broader use of LNOP's, generally, and a blanket use of LNOP's for the Section 9 formula program.

9. Clarification of UMTA regional and headquarters roles, responsibilities and authority is required. Flow of funds in the highway program is facilitated because FHWA Divisional Offices in each state have full authority to make project approvals and, thereby, obligate funds. In contrast, much confusion has existed in recent years over the scope of the UMTA regional offices' authority. As with the federal highway program, full authority to approve and obligate funds at the UMTA regional office level should be the rule rather than the exception.

The authority to obligate funds is critical to the timely flow of funds. UMTA regional offices are, however, apparently somehow limited in their ability to obligate and release funds. It may be appropriate, therefore, to request a report or clarification from the Secretary as to the respective roles and responsibilities of UMTA headquarters and regional offices and an explanation of why regional authority should be limited in any way.

10. Issuance and Application of UMTA policies and procedures must be rationalized, made more consistant and timely, and their content made more widely known. UMTA has established a pattern of indiscriminently issuing new policies and procedures and applying them immediately upon issuance, at any point during the fiscal year. While comments are sometimes requested from interested parties, there is little or no effect, since neither policies nor procedures require the formal comment/disposition process or timetable required with formal regulations.

Recent examples include the issuance of the Major Capital Investment Policy on May 18, 1984, the Private Enterprise Participation Policy issued on October 22, 1984, and the Letter of No Prejudice Policy mentioned above.

In addition, UMTA has proposed procedural changes to official UMTA program guidance documents and circulars and has prematurely promoted or allowed the application of unofficial or draft procedures prior to their final adoption, and without written notice to grantees. The most recent example has been the development of draft rolling stock guidelines governing replacement, rehabilitation, etc. of buses and rail cars under Section 9. In many instances these procedures were applied without final adoption or notification to grantees of changes in current practice.

The effect of this approach has been to create unnecessary and unwarranted confusion and delay in the management of the UMTA program and the flow of funds. Program management and the issuance and application of policies and procedures needs to be rationalized, better controlled and more clearly anticipated. Proper notice must also be given to UMTA grant recipients.

We propose that the Subcommittee consider limiting the application of policies and procedures in the UMTA grant process to:

a) those which have been formally adopted and approved at the appropriate level within UMTA or DOT;

b) those for which implementing guidance has been developed;

c) those for which formal written notice has been provided to grantees; and

d) those whose issuance has been announced in the Federal Register.

Finally, the effective date of any new policy or procedure should be limited to the start of the next fiscal year or not sooner than six months following notification in order to provide adequate time for comment, for necessary actions to be taken locally or clarifications to be provided by UMTA. In no case should new policy or procedure be applied retroactively to programs or grants already submitted.

These measures would go a long way toward resolving the confusion and complexities that have slowed the UMTA program in recent years.

Other Technical Corrections and Related Actions

In addition to the steps that should be taken to assist in improving the flow of UMTA funds and the management of UMTA resources, several other actions or technical corrections should be considered in drafting new authorizing legislation.

1. Report on Triennial Review progress. Section 9(g)2 of the STAA required UMTA to conduct triennial reviews of recipient performance in carrying out the objectives of the UMTA program. The process has been established by UMTA and the reviews are underway. To make these reviews relevant to overall management of the program, the Secretary should be requested to provide a status report at regular intervals, perhaps annually, to advise Congress, the industry and the public on the results.

   The report should include a specific assessment of the manpower required to perform the reviews, and should note UMTA performance against the past year's review schedule. In addition, a list of the coming year's review sites and schedule should be published on October 1 in the Federal Register.

2. Status reports on studies mandated by Congress. The STAA and other actions of Congress mandated UMTA to conduct a variety of studies, most of which have not been completed, delivered or their status made widely known. Most of these efforts are of considerable interest to the transit industry and state and local officials. UMTA should be requested to provide a status report and interim findings on:

   1) Long-term Leverage Financing Study (Report required by Section 315 of the STAA);

2) Policy Implications and Technical Feasibility of Instituting a Minimum Operating Revenue-Operating Cost Ratio (Report required of DOT in the 1985 Continuing Resolution);

3) Rail Modernization Study (Originally requested by Appropriations Committees in 1979)

The results of these and other similar efforts could have a significant bearing on deliberations over transit program structure and funding levels. Regardless of their current status, interim reports and findings should be requested.

Wherever appropriate, UMTA should be encouraged to consult directly with the industry or APTA in carrying out major studies of this kind.

3. Actions to further constrain transit operations and decision-making should be avoided. Virtually every federal regulation and policy applied to transit is limiting or constraining in one of two critical ways. Federal requirements either serve to increase costs (or limit the ability to reduce costs) OR they restrict the ability to raise revenues. Because these requirements generally serve well-established national policy objectives, however, there is a direct justification for continuing federal support for transit operations governed by these requirements.

During a period in which there is continued pressure from a hostile Administration to eliminate transit assistance altogether, added constraints on transit's ability to cut costs, raise revenue, or other actions which unjustifiably dictate the scope and scale of local transit operations must be avoided.

Unfortunately, this has not been the case in recent years. Despite its concern for cost-reduction and increased non-federal funding, the Administration and others repeatedly create situations which force transit costs up, further restrict revenue-raising potential and otherwise dictate or prescribe how local service should be run or managed.

The best example is the Administration's support of the recent federal Fair Labor Standards Act decision in the Supreme Court which could dramatically alter and increase local wage scales and labor costs, perhaps even retroactively.

Another example is the recent UMTA policy on Private Enterprise Participation. As proposed and enacted, the policy is intended to create a largely duplicative and separate set of processes, procedures and schedules by which the views of private business are to be solicited and addressed. The policy was prepared and issued with little or no consultation with the transit industry and without any demonstration that existing policy and procedure was ineffective or being violated. Rumors are that regulations implementing the Private Enterprise Policy may even dictate that transit boards be restructured and a private provider seat on every board be mandated.

Such unjustified, proscriptive and intrusive mandates and regulations are damaging rather than helpful, and are largely unnecessary. Private participation in transit, in fact, is broad and increasing.

- Nearly 50% of public systems contract for elderly and handicapped services;
- Nearly 30% contract-out other revenue services;
- Over 40% contract-out body repairs;
- 55% contract-out major overhauls;
- Up to 75% contract-out for a range of administrative services;
- Transit boards routinely are made up of local private sector business leaders who bring both their management skills and their private enterprise sensitivities to their public position.

If additional private involvement is possible and appropriate, the most significant actions would be to remove or reduce existing barriers rather than to legislate and mandate further narrow restrictions and costly requirements.

4. Transit training programs should be coordinated and expanded. One of the most significant needs throughout public transit is the need for improved and expanded training at all levels. Although the UMTA program supports some training activities, it has become increasingly critical to improve the coordination, promotion and oversight of available transit training opportunities.

The transit industry has placed a high priority on enhancing training programs and opportunities and there must be active and direct industry involvement in setting the training agenda. There are a number of ways by which transit's training needs can be better met and we look forward to working with the Subcommittee in the further development of these ideas.

SUMMARY

In summary, Mr. Chairman and members of the Subcommittee, we strongly support efforts to reauthorize and extend the current federal transit program and we would like to reemphasize our support for the basic features contained in H.R. 5504.

In addition, we have an immediate concern for seeing that the current transit program is improved, that the flow of funds is streamlined and that the overall delivery mechanism is allowed to operate unimpeded. Most of the recommendations we have made today reflect this interest. We are continuing to review and assess these and well as other steps and will be pleased to work with you and members of the Subcommittee on these issues.

ATTACHMENT 2

FLOW OF FUNDS IN THE FEDERAL TRANSIT PROGRAM: A REVIEW OF CARRYOVER AND UNEXPENDED BALANCES

Prepared by:

American Public Transit Association

FLOW OF FUNDS IN THE FEDERAL TRANSIT PROGRAM: A REVIEW OF CARRYOVER AND UNEXPENDED BALANCES

INTRODUCTION

In recent months, a number of observations have been made by various Administration officials that drastic reductions in future federal transit assistance can be "cushioned" by currently available UMTA funds that have either not been obligated or not been spent. The existance of both unobligated "carryover" funds and obligated, but "unexpended balances" is, therefore, of critical importance in the current budget debate and deliberations over appropriation levels.

This paper represents an attempt to clarify the process by which UMTA funds flow to, and are expended by, recipients of federal transit assistance in order to show that these claims are incorrect.

SUMMARY OF FINDINGS

After reviewing how federal transit funds flow and the factors that affect the flow of funds, several major findings have emerged:

1) The presence of "carryover" funds and/or the existence of "unexpended balances" in already approved grants definitely do not represent a "cushion" to absorb proposed reductions in future federal transit support;

2) Similarily, the presence of "carryover" and "unexpended balances" at any given time cannot be interpreted to mean that funds are not needed or that funds are not well-managed by grantees;

3) The amount of UMTA funds being carried over is small -- less than 9% of all formula funds made available by UMTA;

4) "Carryover" funds exist because of three major factors:

    a) federal law allows and, in fact, promotes carryover;

    b) uncertainties in and delays due to federal transit program management create carryover; and,

    c) local circumstances and prudent management dictate against the immediate commitment of all current-year funds. Outyear needs often require the accummulation of several years' apportionments.

5) "Unexpended balances" reflect well-established rates of expenditure. The 6-year spend-out period for transit projects is similar to or shorter than other federally-assisted capital programs;

6) Because the expenditure rate for transit projects is predictable, therefore, the amount of "unexpended balance" at any point in time is predictable. The current amount of "unexpended balance" is very near predictable levels;

7) In certain instances, significant delays in the expenditure of funds result from UMTA program policy, procedure and management practice.

Finally, in addition to the inherent delays in a program as complex as the federal transit program, it must be noted that the Administration itself can create "carryover" and delay expenditures by purposely or coincidently frustrating or delaying the flow of funds. Although top UMTA officials typically suggest that all actions which have the effect of delaying obligations or expenditures are undertaken under the guise of better program management and administration, the question is an open one.

DEFINITIONS

The terms "carryover" and "unexpended balance" are part of the lexicon of the standard federal funding process. Figure 1 illustrates the full process as it is applied to public transit. Four major steps are involved, the products of which are identified at the bottom of the diagram.

It is important to note that federal regulations guide and often dictate the first two major steps, system planning and capital programming. (See 23 CFR Parts 450, 630 and 49 CFR Part 613) Only when these federal requirements have been satisfied, along with a host of others, can approvable grant applications be submitted and projects actually implemented.

"Carryover"

Carryover is related to the flow of formula funds. Each year Section 9 (and previously Section 5 and Section 9A funds) are apportioned to 373 Urbanized Areas over 50,000 population by statutory formula. Each year the designated recipient of UMTA funds in the area, usually but not always a transit authority, submits a grant application to use some or all of these funds. The size of the grant and the timing of grant approval may produce one of two results:

1) If a grant is approved by October 1, funds are OBLIGATED for the current year; i.e. the federal government incurrs an obligation;

2) If no application is submitted, OR if the application is not approved by October 1, OR if the application is for less funds than apportioned to the area for the year, the result is "CARRYOVER" i.e. unobligated funds which are then carried-over for use in any of the next three year(s);

"Carryover," therefore, is associated with the apportionment/grant application/approval portion of the process shown in Figure 1.

"Unexpended Balance"

Following grant approval and the "obligation" of funds, a series of project implementation steps are begun. As projects proceed, payments are made to contractors, etc. from U.S. Treasury accounts established following grant approval. At any point in time (quarterly, annually etc.), an accounting will show either cumulative EXPENDITURES, or "UNEXPENDED BALANCES."

"Unexpended balances" are, therefore, associated with the project implementation portion of the process and are a separate issue from "carryover."

DATA ON THE FLOW OF FUNDS

To assess whether or not funds are flowing reasonably or unreasonably, and to arrive at the implications of such an assessment, data from several years is required. This information is necessary so that trends can be analyzed and reasonable interpretations can be made about current circumstances.

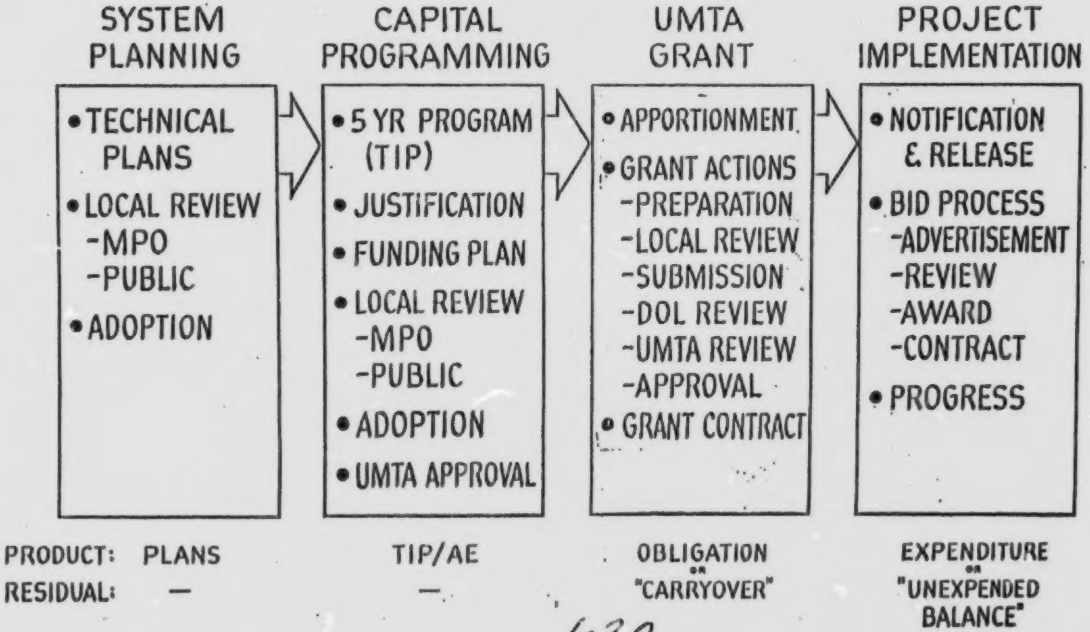
On four separate occasions, September 19, 1984, November 28, 1984, January 25, 1985 and March 15, 1985, APTA formally requested, in writing, data on the current and historic flow of funds from UMTA. No formal response has yet been received and only a limited smattering of information has been provided.

On March 25, 1985, a Freedom of Information Act Request was filed with UMTA in a final effort to gain access to data critical to the analysis. A proforma acknowledgement of the FOI request was received on April 9, 1985, but, as yet, no data has been provided.

In the absence of a formal reply from UMTA, exhaustive efforts were made to assemble enough information to undertake a credible review of the carryover and unexpended balance issues.

FIGURE 1

STEPS IN FUNDING TRANSIT:



HOW MUCH "CARRYOVER"?

Available figures indicate that approximately $12.2 billion in formula assistance has been made available since 1975 and that less than 9% of that is being carried-over. Expressed differently, 92% of all formula funds have been obligated through the approval of UMTA grants.

Figure 2 provides a comparison of total funds and estimated carryover for each formula program and various time periods. The figure also shows current performance in applying for carryover funds by indicating how "carryover" balances available at the beginning of 1984 were drawn down during 1984. Section 5 carryover was reduced 55 percent; Section 9A carryover was reduced 51 percent; Section 9 funds, in the first year of availability, were 80% obligated.

By any interpretation, this experience and pattern in the commitment of available UMTA funds is positive. The size of the "carryover" is small relative to the amount of funds appropriated by Congress and apportioned by UMTA.

Carryover is Overestimated

Although it is impossible to accurately estimate without detailed data, the actual total amount of carryover identified in Figure 2, $1.0 billion, is certainly an overestimate in terms of the current status of funds. The $1.0 billion figure includes both:

1) funds in grants currently held by UMTA and awaiting approval; and,

2) funds which will be requested by October 1, 1985 but for which final applications have not yet been submitted.

In order to estimate the extent to which UMTA's carryover figures from October, 1984 may represent an overestimate, efforts were made to contact a number of systems to check on the current status of carryover. During the week of April 22, over 30 medium and small systems were contacted. These systems were selected because, according to UMTA, they apparently had either the largest amounts of carryover or the highest percentage of carryover relative to their apportionment. The results of these inquiries are extremely important in understanding the carryover issue:

1) The systems contacted had over $167 million in carryover on October 1, 1984 according to UMTA figures;

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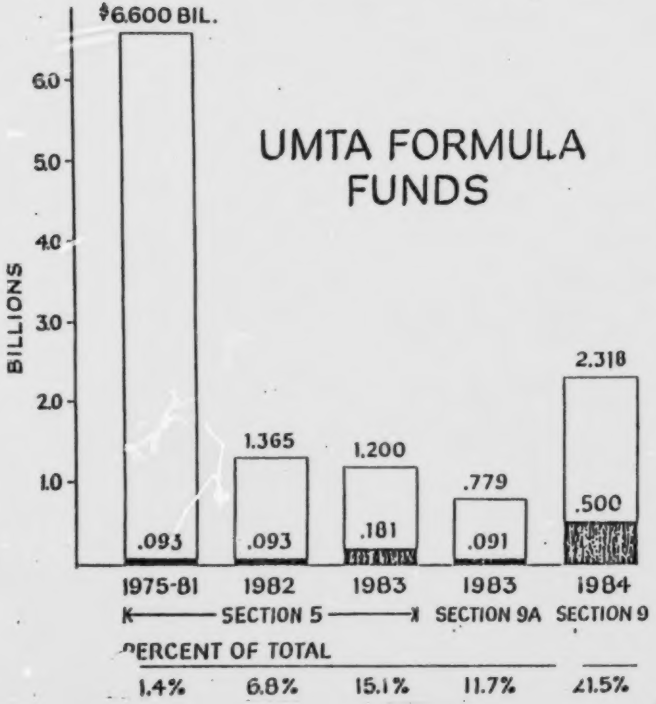
FIGURE 2

"CARRYOVER": HOW MUCH?



OVERALL CARRYOVER 1975-1984

- $12.2 BIL. AVAILABLE SINCE 1975
- $1.0 BIL. CARRYOVER
- LESS THAN 9% OF ALL FUNDS
- LESS THAN 4% OF SECTION 5

1984 EXPERIENCE

- SECTION 5 CARRYOVER REDUCED 55%
- SECTION 9A CARRYOVER REDUCED 51%
- SECTION 9 80% OBLIGATED

2) Roughly 2/3 of the $167 million is available for capital projects only;

3) 30% of the systems contacted questioned the accuracy of UMTA's figures;

4) Three-quarters of the systems said UMTA had made no attempt to reconcile carryover figures with them;

5) Over $70 million of the estimated capital carryover is contained in grants that now are in UMTA's hands for action; this is over 40 percent of the $167 million in total estimated carryover cited by UMTA;

6) Over $35 million of the estimated carryover will be incorporated into grants that will be submitted before the end of the current fiscal year; this over 20 percent of the total estimated carryover cited by UMTA;

Consequently, nearly 2/3 of the estimated carryover at the end of fiscal year 1984 has already been or will be applied for in 1985:

7) The most often cited reason for carryover of capital funds was the need to save funds for future projects;

While the information gathered so far is only partial, it very clearly confirms the fact that the carryover figures from October 1, 1984 greatly overstate the current situation and strong efforts continue to be made to draw down carryover. The findings also point to the misconceptions introduced by looking at figures from a single point in time.

WHAT CONTRIBUTES TO "CARRYOVER"

Carryover results from three very different combinations of factors:

1) Statutory provisions in the law allow for, encourage and promote carryover;

2) Federal program management practices, to the extent they delay both capital programming and grant approval, cause carryover;

3) Local factors and influences make carryover of current year funds and the husbanding of all resources a prudent management practice.

Figure 3 and the following discussion highlight the most significant of these factors:

Statutory Factors

1A. The law allows funds to remain available for three years following the year they were appropriated. This was done in recognition of several factors, i.e. that funding needs vary year-to-year, that it is prudent to have flexibility in the use of funds, etc. The result is that Congress provided for funds to be carried over to allow prudent management and planning over the multi-year periods necessary to carry out transit capital projects.

1B. The amount of formula funds increased by 44% in 1983. Restructuring by the STAA and jobs bill funding increased formula funds. The initial result has been an expected but much smaller increase -- 30% or so -- in total carryover.

1C. The statutory formula apportionment provides funds to areas which have no system, or to systems which may choose not to shoulder regulatory burdens. These funds are not available for use elsewhere for four years. Apportionments to areas are appropriate since the costs to begin a new system may require accumulation of apportionments from several prior years. This feature facilitates the creation of new systems and services.

Some $20 million of carryover is associated with smaller areas that have no service. A similar amount of carryover is associated with areas which have chosen not to apply for UMTA funds but who in the future may have need of these funds.

1D. Transfer of funds that are not going to be obligated (see above) is the statutory perogative of the Governor, for areas of less than 200,000 population. To some extent, the carryover in areas under 200,000 population is due to state inaction in taking advantage of this transfer provision in the law.

Some $350 million of carryover is associated with areas under 200,000 population.

Federal Program Management Factors

2A. UMTA grant approval processes are complicated and time-consuming. 1984 grant approvals required an average of 160 days according to a GAO survey; over 20 percent of grants took 240 days to approve. To the extent these time frames carry beyond October 1, "carryover" is an automatic result.

FIGL. E 3

"CARRYOVER": CONTRIBUTING FACTORS

STATUTORY

- LAW ALLOWS 4 YEARS: PRUDENT, FLEXIBLE
- PROGRAM STRUCTURE PROMOTES CARRYOVER
  - E.G, APPORTIONS FUNDS TO AREAS W/O TRANSIT
  - LIMITED USE OF GOVERNOR'S AUTHORITY TO TRANSFER
  - INCREASE IN FORMULA FUNDING LEVELS

FEDERAL PROGRAM MANAGEMENT

- LONG GRANT APPROVAL PERIODS
- UNCLEAR CONTENT AND APPLICATION OF REGULATION, POLICY, PROCEDURE
  - SINGLE GRANT
  - (3) / (9) RELATIONSHIP
  - DBE, SPARE RATIO, PRIVATES, CURRENT—PRIOR FUNDS
- CONFUSION OVER REGION, HQ ROLES
- FAILURE TO REAPPORTION LAPSED FUNDS
- DOL, OMB ACTIONS

LOCAL FACTORS & INFLUENCES

- CAPITAL NEEDS ARE NOT UNIFORM YEAR-TO-YEAR
- MAJOR PROJECTS REQUIRE SEVERAL YEARS FUNDS
- FISCAL YEAR VARIATIONS
- UNCERTAINTY, CAUTION, CONFUSION
  - STATE, LOCAL FISCAL STRESS
  - FEDERAL BUDGET CLIMATE
  - FEDERAL PROGRAM POLICY & PROCEDURES

2B. Preparation and approval of grants is made more difficult and delayed by unclear communication between UMTA and its grantees on matters of policy, procedure and regulation. Frequently, a cycle of grant submission, review, revision and re-review is required by UMTA. Often the cycle is triggered by interpretation of policy for which there is no implementing guidance or regulation, imposition of procedure for which there is no current or formal written policy or guidance or by regulations that are simply highly complex.

The result is that grant approval can be much longer and more time consuming process than desired or necessary and is a process whose length is ultimately controlled by UMTA.

2C. Final approval authority and steps creating approval authority are the responsibility of UMTA headquarters in Washington rather than the regional offices. In the past, regions had been delegated fairly extensive authority for grant approval. This authority has been largely withdrawn and all grant approval notifications now require the signature of the Administrator rather than the (10) regional administrators.

The necessity of moving every grant action through Washington is bound to slow the process. By contrast the Federal Highway Administration has long ago delegated virtually all approval authority to its division offices (one in each state capital) and few, if any, grant actions are handled in Washington.

2D. UMTA has failed to reapportion funds that have lapsed, therefore, directly creating carryover. The majority of UMTA formula funds are required by law to be reapportioned at the end of their 4-year availability, if they remain unobligated. Reapportionments should have been made beginning in 1979 and every year thereafter. No reapportionments have ever been made, however.

The result may be nearly $120 million in carryover of lapsed funds created directly by UMTA's failure to reapportion funds.

2E. UMTA staff may be insufficient to handle the workload. UMTA staff must oversee grantee planning, programming, grant submissions, procurement actions, project management and financial transactions, civil rights compliance, environmental review plus several other functions for six major programs (Sections 3, 5, 9A, 9, 18 and 16(b)2), as well as other programs.

At the same time new responsibilities are being added (e.g. "triennial reviews" of each grantee required by Section 9 (g)2 of the STAA, each of which may take 2 person-weeks or more to conduct).

UMTA organizational structure, workload and grant approval procedures contrast markedly with FHWA, and perhaps contribute to delays in the flow of UMTA funds. For example:

- UMTA has twice the dollar workload per employee as FHWA ($8.3 million/employee vs. $4.1 million per employee);
- UMTA has seven times more clients than FHWA (350 + vs. 52) but five times fewer field offices (10 vs. 52). The client-to-field office ratio is 35/1 for UMTA and 1/1 for FHWA;
- UMTA has less than 1/3 of its staff in the field; FHWA has over half;
- UMTA encourages a single formula grant application containing multiple projects. As a result, no one project can go forward without all others being ready;

  FHWA practice is the reverse; approval actions are broken down to projects and sub-components to facilitate rapid approval and obligation. FHWA is estimated to handle 12,000 separate approval actions a year.

In the face of what is acknowledged to be a much slower and more cumbersome process, UMTA has proposed major staff reductions regardless of the outcome of the budget deliberations.

2F. Both OMB and the Department of Labor are required to take actions before UMTA can approve grants and obligate funds. OMB must create the quarterly authority for current year obligations and notify UMTA; DOL in Washington must act on or certify for each grant that there will be no adverse effects on transit employees.

Both these aspects of federal program management slow the obligation of funds.

Local Factors

3A. Capital needs are not uniform from year-to-year. The age of a bus fleet may require vehicle replacement in groups at regular intervals; major maintenance facility investment needs occur intermittently and predictably for individual systems. These types of out-year investment requirements are routinely programmed into 5-year capital programs.

To meet "lumpy" investment needs several years funds must often other be accumulated.

3B. Major projects cannot be funded with a single years apportionment. A new maintenance facility may cost $5-10 million or more. Several years' apportionments often must be accumulated to support these projects, particularly in smaller systems.

3C. Fiscal years often vary between the federal government (October-September) and state and local government (July-June, October-September or January-December). Among transit properties, 34% operate on a January-December schedule, 5% on April-March, 46% July-June, and 15% October-September.

To the extent that fiscal years vary among federal, state and local levels, local capital programming and budget decisions can extend or delay the UMTA grant process beyond the end of the federal fiscal year. The result is temporary and artificial "carryover."

3D. Uncertainty, caution and confusion stemming from a variety of factors makes it prudent to not fully commit all funds immediately as they become available. The fate of the federal transit budget has been uncertain year after year, making advanced capital programming, budget development and grant preparation difficult; state and local fiscal stress has prompted some difficulty in the commitment of adequate non-federal matching funds; uncertainty over federal program procedures and policies also slow programming, grant development and approval.

All of these factors contribute to carryover. Some represent legitimate and prudent reasons to allow and promote carryover; others represent an unwarranted drag on the flow of funds; some are controllable by UMTA, some are controllable by grantees, others are not controllable by either. The critical point is that carryover is small, and grantee performance in committing funds is overwhelmingly positive. The discussions that follow provide a further explanation of two of the most important factors noted above, uneven capital needs and the effect of the UMTA grant process and timetable.

Uneven Capital Needs

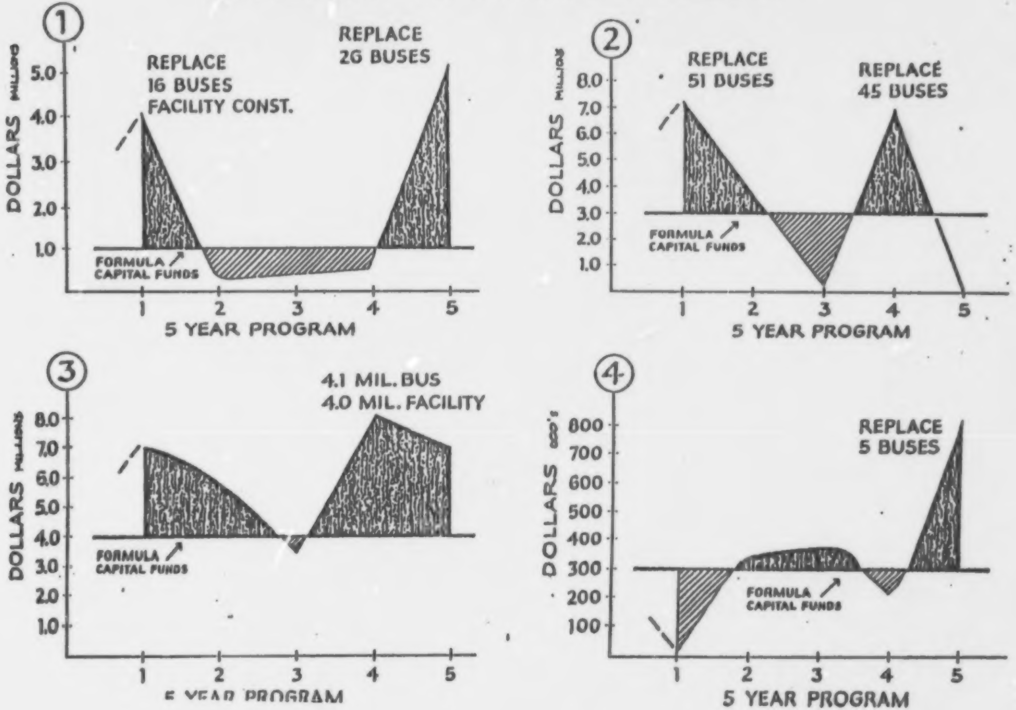
To expand on one of the most significant and necessary reasons to allow for carryover, further explanation of point 3A, above, is necessary, i.e. the fact that transit capital needs are not uniform year-to-year.

Figure 4 graphically illustrates this point.

Each of the four graphs depicts an actual 5-year Transportation Improvement Program (TIP) from a transit property of medium or

FIGURE 4

UNEVEN CAPITAL NEEDS



small size. The flat horizontal line represents an extension of federal formula capital funding levels available to each of the four systems in 1985. The rising and falling line in each case represents the total dollar value of capital projects required in each of the next five years and the type of project.

The graphs clearly depict the typical uneven or "lumpy" nature of transit capital investment requirements. In some years, investment needs are below estimated (or real) federal funding levels. In other years, needs greatly exceed the federal formula apportionment for that year. The necessary result is that apportioned funds must often be accummulated over a multi-year period to effectively and completely meet highly variable needs.

A problem arises when these relationships are viewed at a single point in time rather than over the full 5-year program period. For example, in graph 1, if the need to replace 26 vehicles in year 5 is not recognized, the "carryover" funds from years 2-4 may appear to be unneeded or might be misinterpreted as a "cushion." Recognition of the upcoming or out-year vehicle replacement need, however, indicates this is an inaccurate characterization. In fact, the cost of replacing the 26 vehicles far exceeds the funds available in years 2-5.

Each graph presents a very real, but slightly different version of this same situation. The "lumpy" needs phenomenon is typical throughout the transit industry. Attempts by UMTA leadership and others to characterize or view the "carryover" available at any single point in time as unneeded or a "cushion" to absorb funding cuts is a grossly misleading and inaccurate interpretation. In fact, it is UMTA's own regulations which require the preparation of the 5-year TIP and UMTA approval of the projects programmed into the first year of the TIP. UMTA should have full cognizance of the multi-year implications of approved programs, existing funding levels, the impact of reduced funding and the importance of carryover.

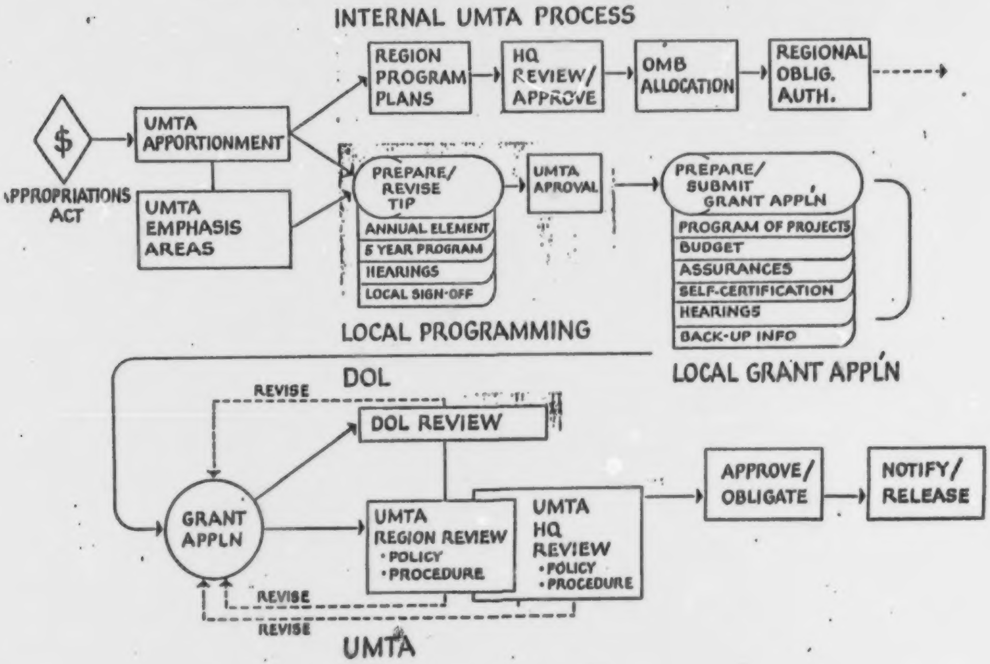
Finally, it must be noted that the apparent "carryover" in an area at one point in time is not available to meet the needs of a different area at another time. Therefore, across-the-board funding reductions cannot be "cushioned" by carryover. Many areas, depending on the structure of their capital programs, will be seriously and unavoidably damaged by a simplistic, cross-the-board cut of any size.

Grant Approval Process

Another factor requiring further explanation with respect to the carryover phenomenon is the complexity of the UMTA grant approval process. Figure 5 graphically depicts how this process works. The process begins with enactment of a DOT appropriations bill in Congress,

FIGURE 5

OBLIGATION PROCESS



but there is a long series of steps before an obligation can be registered. Each major step is described briefly below. The highlighted portions of the chart identify areas where significant delay can occur.

1) UMTA must first APPORTION the funds to each urbanized area via formula, the factors for which must be updated annually;

2) UMTA must then internally ESTABLISH OBLIGATIONAL AUTHORITY for its regional offices through a multi-step process:

   a) Regions submit plans or estimates of what their grantees may be expected to apply for over the year in a Regional Program Plan;

   b) Headquarters traditionally reviews and approves these plans or amends them to formulate an agency-wide plan;

   c) OMB must allocate to UMTA authority to obligate funds on a quarterly basis to control obligation and outlays;

   d) UMTA then traditionally provided regional offices with authority to obligate funds based on the amended program plans and approved allocation.

   In 1984, full regional obligational authority was not provided until well after the beginning of the fiscal year.

3) Once grantees know what their apportionment will be, final TIP DEVELOPMENT can take place along with UMTA approval of the current year's program or "Annual Element"(1). Projects approved in the Annual Element can then be incorporated into a GRANT APPLICATION. The TIP and grant process can run concurrently or in sequence, as illustrated. Both include time consuming local agreements on suballocations within individual regions, negotiations with local units of government, public notice and hearings, formal adoption and approval at several levels, and, if necessary, subsequent amendments to either the TIP or grant application. The major steps in both the TIP process and grant application are noted in the figure and are dictated by federal regulation and procedural guidelines.

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(1) Although TIP development can proceed prior to the apportionment of UMTA funds, UMTA procedures require the TIP to closely reflect the anticipated amount of UMTA funds. Therefore, many grantees do most of their TIP development following UMTA's apportionment.

4) Once the grant application is submitted to UMTA, FEDERAL REVIEW takes place. The Department of Labor in Washington must grant a certification that transit labor will not be adversely affected. It is often unclear whether the DOL review occurs simultaneously with UMTA review, or whether UMTA review takes place following the DOL certification. Presumably both sequences occur.

UMTA review is based on regulation, procedure and policy, some of which is fully and formally documented and well-known and understood by grantees and UMTA staff; some of it is not, however.

There are increasing instances in which broad policy statements are not supported by formal implementing regulations or guidance (e.g. Private Enterprise Participation Policy). Similarly, there are increasing instances where new procedures are being applied without notice or explanation (e.g. rolling stock replacement requirements). Finally, there are instances in which formal regulations have been in development for years without final issuance (e.g. 504 and Charter/School bus regulations) and/or where existing regulations are so complex or time-consuming that compliance is difficult to demonstrate or judge (e.g. Disadvantaged Business Enterprise).

Attempts to operate in this environment are extremely frustrating and time-consuming. Seemingly at any point UMTA can legitmately question compliance or request more information on any of several matters. Equally legitimately, grantees can claim no prior knowledge that a problem may exist or that additional actions on their part are necessary.

Regardless of how issues of regulatory and procedural compliance may arise, any questions raised by UMTA must be addressed through submittal of additional information or amendment of either the TIP or the grant application before the review can proceed or approval take place. In some instances, these notifications or requests are made serially, i.e. additional information will be requested and submitted on one issue, then another request will be made and so on. Ideally, however, the number of required revisions and changes should be limited.

5) Once an application is to be approved, another series of FINAL ACTIONS by UMTA take place, all of which consume time:

a) the regional office recommends approval (if it cannot itself approve the grant) by forwarding an "approval package" to Washington headquarters for the UMTA Administrator. At that time an OBLIGATION is entered, but no formal notification is given to the grantee. Grantees are routinely told only that their grant is still 'under review'.

b) Upon receipt in UMTA headquarters, the grant is processed through the DOT Secretary's office to determine the means and timing for its RELEASE, (i.e. whether DOT or UMTA officials might join in announcing the grant approval, whether some or all of the local Congressional delegation should join in the announcement, whether the announcement should take place locally or in Washington, whether there should be a formal announcement at all, etc.).

c) Once the method and timing of the grant release is determined and the release is made, the UMTA Administrator signs an APPROVAL LETTER, noting the prior obligation date and the "grant package" and approval letter are sent back to the regional office for transmittal to the grantee.

As implied in the above description and figure, the process is extremely elaborate and the timing is fundamentally controlled by participants and requirements other than the grantee (e.g. local officials, UMTA regional staff, UMTA or DOT headquarters staff, Department of Labor staff, etc.). The result is typically a longer than desireable approval process, a strong likelihood of many grants not being approved before the end of the fiscal year, thereby creating "carryover," and a degree of frustration on the part of grantees and local officials.

TIMING OF APPROVALS AND OBLIGATIONS

The general process described above can be translated into elapsed time. Figure 6 illustrates four separate time frames leading to grant approval, each beginning with the start of a new federal fiscal year on October 1.

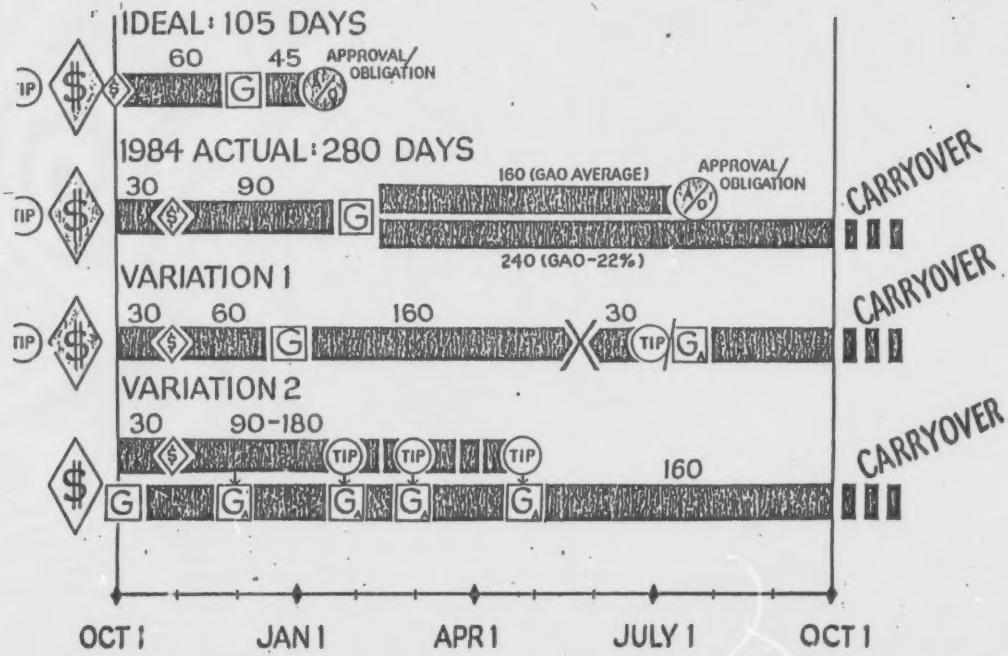
Timeline 1: The Ideal

- TIP approved prior to the beginning of the fiscal year on October 1;
- Appropriations bill passed prior to October 1;
- UMTA apportionment made on October 1;

AVAILABLE

FIGURE 6

OBLIGATION TIMING



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- Grant preparation and submission, in consultation with UMTA, in 60 days;
- Grant approval and obligation after 45 days (a goal sometimes cited by former UMTA Administrators).

Total elapsed time: 105 days.

Timeline 2: 1984 Actual

- TIP approved prior to October 1;
- Appropriations enacted prior to October 1;
- 30 days for UMTA to apportion funds;
- Estimated 90 days for grant preparation and submission in consultation with UMTA, (additional time beyond ideal reflects the impact of continuing uncertainty about certain policy and procedural compliance issues as well as some delays locally in the grant development process);
- 160 days average approval time (source: GAO survey on Section 9 implementation);

Total Elapsed time: 280 days

Note: Over 20% of GAO survey responses available to APTA indicate approval times averaging 240 days.

APPROVAL MAY THEREFORE, BE CARRIED BEYOND OCTOBER 1; "CARRYOVER" IS AUTOMATICALLY REGISTERED

Timeline 3: Variation 1 - Application Revisions Necessary

- TIP, Congressional appropriation and UMTA apportionment steps similar to timeline 2;
- UMTA review requires grant or TIP revision/amendment;
- 30 days to revise/amend/adopt changes locally;
- Re-review by UMTA;

APPROVAL MAY THEREFORE, BE CARRIED BEYOND OCTOBER 1; "CARRYOVER" IS AUTOMATICALLY REGISTERED

Timeline 4: TIP/Grant Development Contingent on Apportionment to Local Area

- Skeletal grant application and TIP developed;
- 30 days for UMTA apportionment;
- 90-180 days for TIP development, subregional split in funds, review and approval;
- Concurrent grant development and grant amendments as TIP takes shape, locally;
- 160 days average UMTA approval time.

APPROVAL MAY THEREFORE, BE CARRIED BEYOND OCTOBER 1; "CARRYOVER IS AUTOMATICALLY REGISTERED

The purpose of laying out these hypothetical, though not atypical, timelines is to illustrate that:

1) The process, as it currently takes place, can automatically create carryover;

2) The timetable is controlled as much, if not more, by UMTA than by the grantee;

3) The process is inordinately long;

4) It may take 3/4 - 1 full year to convert a Congressional appropriation into an obligation of UMTA funds;

5) Differing fiscal years at the State and local level may result in different starting points which ultimately create carryover vis-a-vis the federal fiscal year.

It is apparent from this series of figures and accompanying discussion that the grant-making process is much more complex than is commonly understood. Despite this complexity and the inordinate time periods often involved in gaining grant approval and subsequent obligation of UMTA funds, two major points must be made:

1) The proportion of UMTA formula funds being carried over is small;

2) The existence of carryover is a necessary management tool and in no way constitutes a "cushion" against future funding reductions.

THE PROJECT IMPLEMENTATION AND EXPENDITURE PROCESS

At the end of the grant process, grant approval by UMTA and a related bookkeeping entry together constitute an obligation of federal funds. Funds not contained in an approved grant and, therefore, not obligated, constitute "carryover".

The expenditure of UMTA funds and the actual outlay of funds from U.S. Treasury accounts necessarily follow grant approval. The expenditure of grants funds, however, is also a complex multi-year process. Transit capital projects, like any other major construction projects or equipment purchases, can seldom be accomplished or completed in a single year's time. As a result, at the end of a particular fiscal year, UMTA accounts will show the amount of funds expended as well as the "unexpended balance".

Advocates of deep cuts in the federal transit program point to this "unexpended balance" as a resource to "cushion" the impact of future funding cuts. In reality, nothing could be farther from the truth. A closer examination of the expenditure process for transit projects and a comparison with other federally-funded major capital programs makes this clear.

Figure 7 illustrates the major steps involved in the actual expenditure or outlay of funds for transit capital projects, beginning with the grant approval and obligation. Three discrete phases of activity are highlighted:

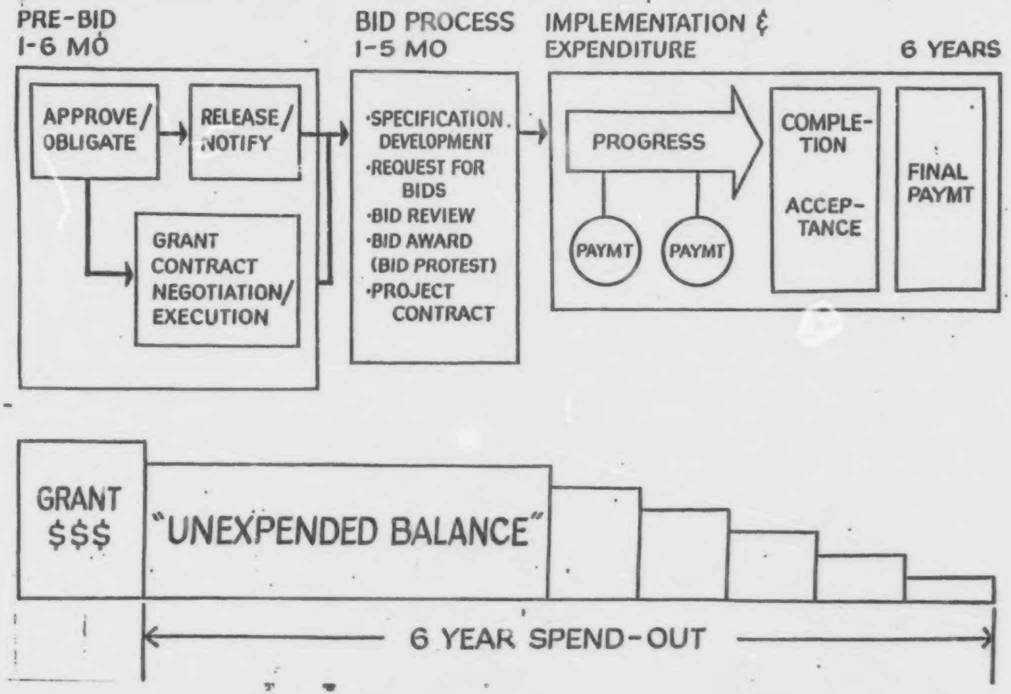
- Actions taken prior to bid solicitation and award, i.e. the "pre-bid" phase;
- The bid process itself; and,
- Actual project implementation.

Pre-Bid Phase

Before bids can be solicited or contracts awarded for projects in approved grants, two administrative steps must be taken. First, as described earlier, decisions on the timing and logistics for announcing RELEASE of the grant are made by the Department of Transportation. Personnel in the Office of the Secretary, review recent approvals to determine the "level of release," i.e. the timing and level of involvement of various officials ranging from regional UMTA staff to UMTA headquarters staff to the Secretarial level in DOT and potentially to the Congressional delegations.

FIGURE

PROJECT IMPLEMENTATION & EXPENDITURE PROCESS



In the case of routine projects (e.g. operating assistance grants and small capital projects), release and announcement may occur relatively quickly. In the case of major capital project approvals, however, this process may take several months. During the time between UMTA's obligation and "release" of the grant, grantees are not given any formal indication of the status of the grant, even though they may be legally entitled to incur costs and make expenditures beginning with an earlier "obligation date." This confusion and uncertainty obviously slows project start-up to varying degrees and frustrates UMTA grantees.

The second step necessary before the bid process can formally proceed very far is the EXECUTION OF A GRANT CONTRACT between UMTA and the grantee. At the time a grant approval and obligation are entered, UMTA regional staff typically sign a grant contract. The "grant approval package" however, then goes to Washington for the "release" process and it is only after the release process is completed that the grant contract is sent to the grantee for execution.

For small or routine project grants, rapid release and pro-forma contract execution are normal. For new major capital investments, particularly new system construction, grant contract negotiation can go on for months. This has been particularly true in recent years as the Administration has sought to include contract provisions and requirements that severely restrict both the eligible project expenditures and grantees future use of UMTA funds for operating purposes.

Depending on the nature of the project(s) in the grant, these two pre-bid steps can take from 1 to 6 months or more to complete.

The Bid Process

Although bids may be solicited prior to final grant approval and grant contract execution, prudence suggests that these steps be completed prior to initiating a bid process.

The bid process itself involves preparation or revision of specifications, bid advertising and solicitation, bid review and award and project contract execution between the local agency and the contractor. Depending on the size and complexity of the project, this process can routinely take 1 to 6 months to complete.

If, in the bid process, there are protests lodged by unsuccessful bidders, resolution of the protest and ultimate execution of project contracts can take much longer. Unfortunately, UMTA has chosen to play a passive role in resolving or mediating bid protests.

During the pre-bid and bid phases of project implementation, very little actual funding is required or spent. Consequently, the bar at the bottom of Figure 7 indicates that "unexpended balances" logically and predictably remain high through the first year following grant approval.

Project Implementation and Expenditure

The final phase involves actual initiation and completion of a project. Over the history of the UMTA program, it has been found that capital project funds are fully spent in an average of six years. Major construction projects or vehicle procurements, particularly rail cars, can take much longer; small bus purchases and some smaller construction projects may take a shorter time.

Over the average 6-year period, however, a typical project will proceed based on actual progress. Progress payments are based on the pace at which the project is proceeding. It is also typical that a significant amount of project funds be withheld throughout the process pending completion, inspection, testing and acceptance of the equipment or facility being purchased or constructed.

In summary, the implementation and expenditure process involved in transit capital projects and illustrated in Figure 6 covers an average of six years and is made up of three phases of activity, each of which may consume substantial amounts of time or contribute to major delays in project expenditures.

Two features of this process are worth remphasizing:

1) Project funds are expended at a predictable rate, meaning that the existance of "unexpended balances" is a natural and predictable phenomenon; and,

2) Once bid awards are made and project contracts executed, usually within a year of grant approval, those funds are committed, cannot be transfered among projects and do not represent a "cushion" available to meet future needs.

COMPARING EXPENDITURE PATTERNS FOR TRANSIT AND OTHER PROJECTS

Transit projects and other major capital investments supported with federal funds have predictable expenditure patterns that are monitored by the Congressional Budget Office and others. As indicated earlier, transit capital project funding is expended in an average of six years; transit operating assistance funds are expended in three years, according to the CBO.

Comparison of these patterns with other federally-funded capital projects is revealing. Figure 8 clearly indicates that the pattern of federal transit expenditures has been and continues to be very comparable to other major capital programs. In fact, the expenditure patterns for transit projects are better than those of other programs in several instances:

- transit funds are spent-out in 6 years; highway and sewer construction funds take at least 8 years to be fully spent;
- transit funds are spent out more quickly in the early years than sewer funds and at more consistant rates in the out-years than airport funds.

It should also be noted that more rapid early expenditures typical of the highway program represent both advantages and disadvantages. Certainly progress on urgent projects occurs more rapidly. However, the more severely peaked the expenditure, the greater the federal outlays in a given year and the greater the impact on the deficit. All things being equal, a somewhat more "normal" expenditure curve may be preferable from an overall budget standpoint.

HOW MUCH "UNEXPENDED BALANCE"

Because annual expenditure rates are predictable over a standard period of time, the amount of "unexpended balance" in the transit program at any point in time can be predicted as well. Figure 9 illustrates how the calculation can be made based on the level of obligated funds for succeeding years.

The figure clearly indicates that the predicted current level of "unexpended balance" is very near to the level mentioned by UMTA officials, i.e. the current levels of "unexpended balance" in the transit programs are not higher than anticipated.

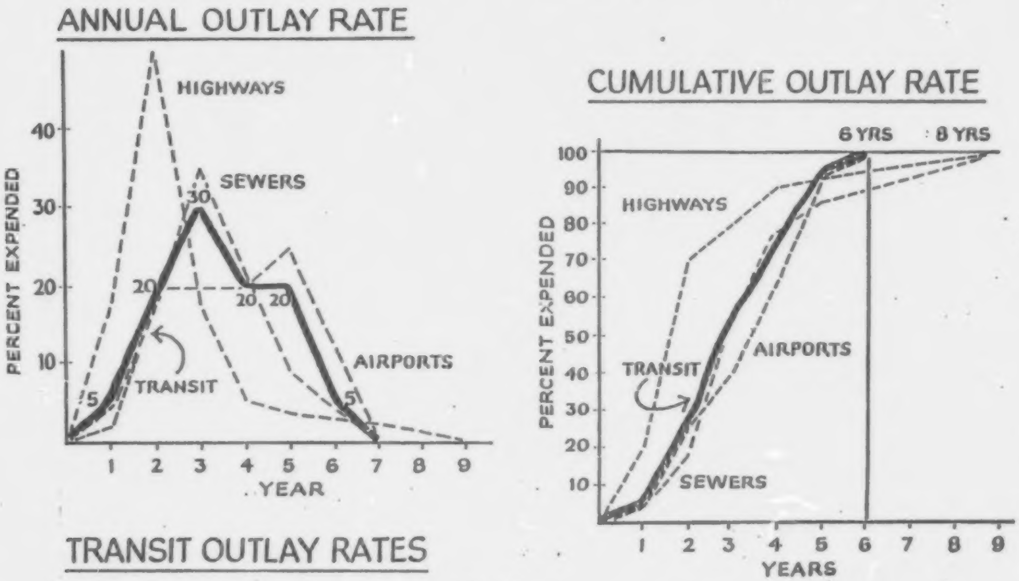
The figure also identifies several factors related to the UMTA program management process that tend to increase the level of unexpended balances by delaying expenditures after grants have approved. Prolonged grant contract negotiations on major projects was mentioned earlier as was UMTA's passive role in resolution of bid protests.

The third factor has to do with the pattern of grant approval and obligation for the Section 3 discretionary capital program. In 1984, as in prior years, Section 3 approvals were heavily concentrated at the very end of the fiscal year:

- 60% of the obligations occurred in the last quarter, [illegible] July-September;

FIGURE 8

TIMING & EXPENDITURE RATES FOR TRANSIT CAPITAL



TRANSIT OUTLAY RATES

YEAR	1	2	3	4	5	6
CAPITAL	5%	20%	30%	20%	20%	5%
OPERATING	70%	20%	10%	–	–	–

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FIGURE 9

"UNEXPENDED BALANCE: ESTIMATED/PREDICTED

CALCULATION:

$$ OBLIGATED — PROPORTION OUTLAYED = "UNEXPENDED BALANCE"
YEARS 1-6 YEARS 1-6

ESTIMATE:

		$$ OBLIGATED	$$ OUTLAYED	ESTIMATED UNEXPENDED BALANCE
CURRENT YEAR:	1	$ 3.4 BIL	$ 0.6 BIL	$ 2.8 BIL
PAST YEARS:	2	3.9	1.5	2.4
	3	3.3	2.3	1.0
	4	3.9	3.2	0.7
	5	3.1	2.9	0.2
PROJECTED TOTAL:				$ 7.1 BIL
UMTA ESTIMATE:				$ 8.0 BIL

CONTRIBUTING FACTORS:

- LATE / DELAYED OBLIGATION BY UMTA
  - 60% OF SECTION 3 IN LAST QUARTER
  - 50% " " IN LAST MONTH
  - 33% " " IN LAST 3 DAYS
- PROLONGED CONTRACT NEGOTIATIONS ON LARGE PROJECTS
- UMTA PASSIVITY IN BID PROTEST RESOLUTION

- 50% occurred in the last month, September;
- 33% occurred in the last three days of the fiscal year.

Obviously, the majority of 1984 Section 3 funds were not available for expenditure in the year they were appropriated. Also, approvals in the fall of the year mean that in many locations the entire upcoming construction season is lost since the release/contract and bid process may take an additional year. The result is that the late Section 3 approvals and obligations may artifically add a year to the expenditure period and, therefore, artifically contribute to the size of the "unexpended balance".

"UNEXPENDED BALANCES" ARE NOT A "CUSHION"

It has been suggested by the Administration that unexpended funds somehow represent a "cushion" to absorb the impacts of massive immediate funding reductions. This interpretation is totally false, however, and implies either a conscious effort to mislead or a lack of knowledge or concern over how funds flow once grants are approved.

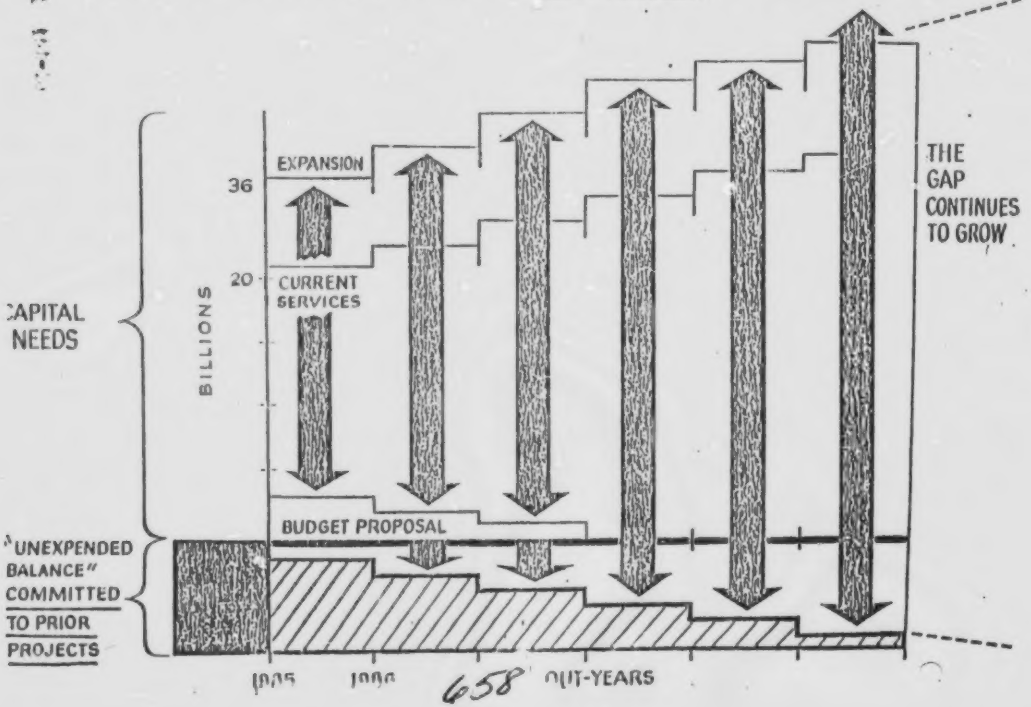
Figure 9 illustrates the fallacy of the "cushion" argument. In the first place, transit capital needs far exceed available levels of funding. As a result, regardless of the status of currently available funds, they cannot conceivably be viewed as a "cushion" to support future funding cuts.

Secondly, as noted earlier, approved grant funds represent funds already obligated to current projects, and not available for future projects. As those funds are expended on existing projects, the available balance is decreased while at the same time unmet needs continue to increase. The gap between resources and needs, therefore, continues to grow. Even if needs were constant and funding levels were frozen, inflation and related cost increases would ensure that this gap grew.

Finally, as stated earlier, the vast majority of "unexpended balances" are committed, contractually, at the local level to specific projects to be carried out by specific contractors. These funds are committed to be spent over a contractually agreed upon time frame subject to contractually agreed upon payment schedules and other conditions. To view these funds as a "cushion" is to disregard preexisting contractual arrangements and imply that projects now under contract can be casually abandoned, or that funds can be moved among projects at will. This is neither possible nor desireable.

FIGURE 10

"UNEXPENDED BALANCES" ARE NOT A "CUSHION"



SUMMARY

The purpose of this assessment has been to demonstrate that neither the presence of "carryover" nor the existence of "unexpended balances" in the UMTA program constitute a rationale to dramatically reduce future formula funding. Figure 11 summarizes the basic findings of the analysis presented in succeeding pages.

The transit industry is certainly interested in committing funds to and implementing projects more quickly and with less redtape and delay. It is our hope that UMTA shares this objective and has a genuine interest in improving the flow of funds. Unfortunately, the Administration wants to drastically reduce transit funding. To the extent that carryover and unexpended balances are used justify these cuts, the Administration has a vested interest in managing the flow of funds so that carryover and unexpended balances are increased, rather than reduced. In serving this interest, the statutory objectives established by Congress are being ignored and, more importantly, the mobility needs of the nation are being ignored as well.

FIGURE 11

SUMMARY

"CARRYOVER"

AMOUNT IS SMALL (<9% OF FUNDS)

ABILITY TO CARRYOVER IS IMPORTANT

REASONS FOR CARRYOVER ARE...

...LEGITIMATE, E.G., LUMPY NEEDS, STATUTORY PROGRAM STRUCTURE, MAJOR FORMULA INCREASES

...NOT LEGITIMATE, E.G., SLOW GRANT APPROVALS, UNCLEAR POLICY; PROCEDURE

NOT A "CUSHION"

NOT REPRESENTATIVE OF LOWER NEEDS

"UNEXPENDED BALANCE"

AMOUNT IS PREDICTABLE

TRANSIT EXPENDITURE RATE IS SIMILAR TO OR BETTER THAN OTHER PROGRAMS

FEDERAL PROGRAM MANAGEMENT IS A FACTOR
E.G., LATE SECTION 3 OBLIGATIONS, PROTRACTED CONTRACT NEGOTIATIONS

NOT A "CUSHION"; MOST ARE COMMITTED LOCALLY

NOT REPRESENTATIVE OF LOWER NEEDS

ATTACHMENT 3A

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March 26, 1986

UMTA Docket Number 86-A
Urban Mass Transportation
Administration
Room 9228
400 Seventh Street, S.W.
Washington, DC 20590

COMMENTS OF THE AMERICAN PUBLIC TRANSIT ASSOCIATION ON GUIDANCE ON DOCUMENTATION OF PRIVATE ENTERPRISE PARTICIPATION IN URBAN MASS TRANSPORTATION PROGRAMS

The American Public Transit Association (APTA) is the international organization representing the public transit industry. APTA members include 350 American bus and rail transit systems which carry over ninety-five percent of those persons using public transit in the United States today. Member operators include both public agencies and private providers. Additionally, APTA has over 490 other members who serve the transit industry including consultants, manufacturers, suppliers, government agencies and academic institutions.

APTA and its members have a rich tradition in all areas of public-private sector involvement and cooperation. As noted above, nearly half the APTA membership is made up of a wide range private business enterprises who, through APTA activities, are involved on a regular basis with public transit providers around the country. In addition, over 10 percent of APTA's transit system members are private operators, including some of the most experienced and successful private service providers in the country.

Also, as a result of their involvement in private transit operations before transit evolved into a full-fledged public service 15 to 20 years ago, a great many of today's public transit managers have brought extensive private sector knowledge and experience to the challenging task of managing today's public transit systems. In addition, the appointed and elected policy boards that guide local decision-making in public transit are made up, to a very large degree, of local citizens with long and successful careers in the private business world.

Based on this strong tradition of public-private cooperation and involvement, and in its role as representative of the transit industry, APTA appreciates the opportunity to provide comments on the Guidance on Documentation of Private Enterprise Participation in Urban Mass Transportation Programs published in the Federal Register on January 24, 1986. APTA's comments are divided into four major areas:

1) Industry overview on private sector involvement;

2) Underlying perspectives and issues regarding privatization;

3) Comments on specific aspects of the published guidance; and

4) Summary and Recommendations.

OVERVIEW ON PRIVATE SECTOR INVOLVEMENT

APTA and its members firmly support efforts to more effectively integrate the public and private sectors in providing for the mobility needs of U.S. citizens in both urban and rural settings. It is our belief that both public and private providers of transit services of all kinds have a number of common goals related to provision of the best and most cost-effective service to riders and taxpayers. These shared goals include efforts: to increase ridership; to develop new markets; to expand revenue bases; to improve the quality and efficiency of operations; and to stabilize our financial and operating environment.

As a reflection of these common goals, public transit managers and policy-makers have long supported efforts to integrate private and other service providers in meeting public mobility needs. Public transit operators have engaged private industry in a wide variety of activities in an effort to provide more effective and efficient services to the public. These opportunities and the resulting participation of private industry include:

- allowance for, coordination of, and direct purchase of all types of revenue services from private operators;

- privately provided vehicle and equipment maintenance activities;

- a full range of privately contracted management and administrative services;

- a growing number of arrangements with private industry which directly or indirectly promote ridership and/or produce revenues;

- an increasing array of innovative arrangements to attract private capital investment in public transit facilities;

- a long history of support for and compliance with the public involvement and related requirements under the UMT Act.

Most recent indications from APTA member transit systems clearly show the breadth and depth of current public-private integration in service delivery:

-- Nearly 48% of member systems contract out some or all of their services for elderly and disabled persons;

-- Nearly 27% contract out other types of revenue services;

-- Over 41% contract out some or all rolling stock maintenance activities;

-- Over 50% contract out some or all major component overhauls; and

-- Up to 75% contract out various types of administrative and support functions.

Experience has shown that the integration of the private sector is a longstanding feature in the provision of public transit services. More recently, public transit management and policy makers are rapidly expanding efforts to broaden the participation of the private sector on all these fronts in an effort to control costs and increase efficiency, while at the same time continuing to serve the broad public interest. As we noted in our December, 1984 comments on UMTA's Policy on Private Enterprise Participation, it is important to recognize these trends and to explore the underlying motivations as a basis for any new federal guidance, regulation or legislative activity.

The longstanding and rapidly increasing involvement of the private sector in all types of public transit activities is occurring not because of new or existing statutory mandates or regulatory requirements. It is occurring in literally hundreds of instances around the country where private involvement can meet several basic tests, e.g. when it is in the economic self-interest of local governments, when it contributes to the achievement of broader public service goals of the communities which transit is intended to serve, and when increased public and private integration can be accomplished in a way that is responsive to policy-makers who are accountable for meeting these goals on behalf of the people they represent.

It is APTA's view that any clarification of UMTA policy on private participation and related guidance or regulation should reinforce the importance of balancing economic and other public service goals within a broad, flexible framework of public accountability. Federal policy and guidance should not promote or force an over-emphasis on the micro-scale economic performance of route-by-route services to the exclusion of broader public service goals, policies, or objectives. Nor should federal policy or guidance create, as it has already, an expectation among some private operators that they are owed a share of the public financial support provided to transit, and that micro-economic cost considerations are the sole criterion by which public service decisions will or should be made.

With this background in mind, APTA wishes to express a number of serious objections to implementation of the guidance now in force. Consultations within the industry have clearly indicated, as have individual transit system comments to the docket, that the current guidance is largely unworkable and and that additional guidance, regulation and legislation is unnecessary and counterproductive.

As a result, we strongly urge that application of the guidance be held in abeyance or suspended by UMTA until the important issues and questions raised below can be satisfactorily discussed and resolved. In addition, we urge UMTA to join with members of APTA and the industry to immediately initiate a more deliberate consultative process aimed at crafting a meaningful, positive and practical approach to encouraging continued integration of public and private sector concerns in transit.

ISSUES AND PERSPECTIVES THAT MUST BE ADDRESSED

The following underlying issues and perspectives require consideration, discussion and resolution before meaningful policy or guidance can be put in place.

No Demonstrated Need Exists for Additional Guidance, Regulation or Legislation

Nowhere that we are aware of has UMTA documented the existence of problems which necessitate the type of extensive procedural and substantive approach required in the guidance. Certainly, the caseload of complaints regarding questions of possible non-compliance with existing private enterprise provisions of the UMT Act has always been extremely small and remains so today.

Secondly, the underlying presumption that public transit agencies are inefficient because of their public nature and the lack of "competition," is simply not supportable as an across-the-board generalization which would justify the imposition of new requirements uniformly on all grantees.

In fact, public transit policy-makers and managers have been prudent and good stewards of public funds. The availability of federal assistance has promoted both improved quality and quantity of public transit services as well as increased ridership. More importantly, as a recent APTA report clearly demonstrates, the productivity of public transit has improved considerably as public support has grown.1

Finally, if the need is simply to establish a firmer basis for UMTA or the Secretary of Transportation to make findings required by the Act, then a host of more practical, positive and less punitive approaches exist and should be considered fully.

In a substantial number of instances public operators already rely heavily on private and non-profit contractors. In an increasing number of instances public operators have successfully won work that was competitively bid. In small urban and rural areas public operators are already using or are competitive with the most cost-effective private and non-profit providers in their areas. And, in both large and small areas continued fiscal pressures have prompted increasingly effective efforts at cost control.

Simply stated, we see little or no evidence that problems exist in the magnitude that justifies or requires the regulatory or legislative approach being taken by UMTA.

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1)American Public Transit Association, Transit Performance and Productivity 1975-1980: Improvements Through the Intergovernmental Partnership. Washington, D.C., May, 1985.

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Guidance May Contradict or Extend Beyond Statutory Authority and Congressional Intent

In a number of specific instances, the proposed guidance either contradicts or extends beyond statutory authority or Congressional intent.

1. Section 2(b)(3) of the Act states that one of the purposes of the Act is, "to provide assistance to state and local governments and their instrumentalities in financing such systems, to be operated by public or private mass transportation companies as determined by local needs".[2] (emphasis added)

   While the guidance does not literally dictate the outcome of local decision-making processes regarding public vs. private, it clearly dictates the terms and conditions under which the decisions are to be made, an equally significant infringement on local decision-making authority.

   It should also be noted that the specific purpose of the UMTA guidance and policy on private participation is to, "promote a greater competitive environment and increased opportunities for the private sector."[3] Nowhere, however, does this specific purpose appear in law or legislative history.

   It appears as though the proposed guidance both intrudes on the long-established principle of providing deference to local decision-makers as well as extends beyond the statutory authority and purpose of the Act.

2. Section 12(d) provides that, "None of the provisions of this Act shall be construed to authorize the Secretary to regulate in any manner the mode of operation of any mass transportation system with request to which a grant is made under Section 3, or after such grant is made, to regulate the rates, fares, tolls, rentals or other charges fixed or prescribed for such system by and local public or private transit agency;..."[4]

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2)49 U.S.C. 1601(b)(3)
3)*Federal Register*. Vol 51 No. 16, p. 3306, January 24, 1986.
4)49 U.S.C. 1608(d)

This language calls into question both the extent to which UMTA may promote or require private sector involvement, as well as the extent to which such efforts should be used as a condition of grant approval.

3. The question of reliance on local decision-making authority is also addressed in Section 1 of the Urban Mass Transportation Assistance Act of 1970, which states, "It is the purpose of the Act to create a partnership which permits the local community, through federal assistance, to exercise the initiative necessary to satisfy its urban mass transportation requirements."5 (emphasis added).

Again, there appears to be a contradiction between the intent expressed in this statutory language and the intent and effect of the proposed guidance.

4. Section 3(e)(2) provides that, "no financial assistance shall be provided under this Act... unless...(2) the Secretary finds that such a program, to the maximum extent feasible, provides for the participation of private mass transportation companies,..."6

The legislative history of this provision, reveals that the focus of discussion was solely on the treatment of existing mass transportation providers during the time when publicly funded buy-outs were taking place. Nothing in the legislative history speaks to extending "maximum feasible participation" to the point of continuously guaranteeing open and access entry for any and all future private providers.

Finally, as will be noted later, Section 3(e)(2) exists side-by-side with Section 3(e)(4) which requires that, "the Secretary of Labor certifies that such assistance complies with the requirements of section 13(c) of this Act."7 The guidance, however, is totally silent on spelling out the relationship of Sections 3(e)(2), 3(e)(4) and 13(c).

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5)P.L. 91-453, 84 Stat. 962
6)49 U.S.C. 1602(e)(2)
7)Ibid.

5. The Conference Report accompanying House Joint Resolution 465, Further Continuing Appropriations for Fiscal Year 1986 (Report 99-450), December 19, 1985 contains more specific language on Congressional intent with respect to privatization. The report reaffirms reaffirming that, "the federal policy under the existing Urban Mass Transportation Act relating to the choice of service providers is one of neutrality."8 That, "...the extent of private sector involvement in the provision of public transit services is best decided at the local level."9 In contrast, the purpose and intent of the guidance can be viewed as extending well beyond these bounds.

The guidance also has been issued in apparent direct contradiction to language contained in the Report. Simply by publishing administrative guidance and making it effective without prior consultation, UMTA has ignored Congressional instructions that, "explicit policy on privatization in the transit industry should be explored by Congress and decided only after appropriate rulemaking with the opportunity for public comment."10 (emphasis added).

Finally, the proposed UMTA guidance clearly states that, "the approval of operating assistance grants is conditioned by the demonstration of the grantee to involve the private sector in its transportation program."11 (emphasis added)

In contrast, the Congressional Report states clearly that, "While such rulemaking is underway, it is the conferees' view that conditioning the release, allocations, or level of federal transit grant funding on a showing by applicants of a certain level of involvement of private sector providers in the provision of mass transportation services is not consistent with the Urban Mass Transportation Act of 1964, as amended."12

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8)Conference Report No. 99-450, Accompanying House Joint Resolution 465, Further Continuing Appropriations for Fiscal Year 1986. pp. 330-331, December 19, 1985.
9)Ibid.
10)Ibid.
11)Federal Register. Op cit., p. 3307.
12)Conference Report No. 99-450, Op cit.

In several major respects it appears that the proposed guidelines represent a serious disregard for and contradiction of both long-standing and the most recently expressed Congressional intentions on privatization.

6. Passage of the Surface Transportation Assistance Act of 1982 resulted in the enactment of the Section 9 formula grant program, the major federal resource for routine capital and operating assistance for virtually every public transit system in the country.

In creating the Section 9 program, considerable attention was paid to reducing the amount of federal intrusion into local decision-making, to streamlining the flow of funds and to reducing the elaborate pre-grant award review procedures typical of prior UMTA programs. UMTA Circular 9030.1 issued in June 27, 1983 outlines application instructions for the Section 9 program and reflects UMTA's own direct interest in streamlining the delivery of federal assistance. The initial section of the Circular states, "This new program offers the opportunity to substantially reduce the Federal Government's role in the grant development and approval process..."[13] It goes on to state that, "the overriding interest of the Act, with respect to Section 9, is to simplify the grant application and review processes... The Federal role in these program management activities will, to the maximum extent feasible, be limited and non-intrusive."[14] (emphasis added)

These sentiments were greatly applauded and strongly endorsed by all those who contributed to the enactment of the STAA, including the Administration. The guidance on documentation of private enterprise participation, however, proceeds in exactly the opposite direction by instituting a new, cumbersome, time-consuming and ill-defined pre-grant award review process.

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13) Urban Mass Transportation Administration, Circular 9030.1, "Section 9 Formula Grant Application Instruction," p. I-1, Washington, D.C. June 27, 1983

14) Ibid.

It should be clear from the foregoing discussion that there are a host of very serious questions that must be addressed regarding the apparent inconsistency of the privatization guidance with statutory authority and legislative intent.

Until these inconsistencies are remedied or deliberated as Congress has instructed, UMTA grantees should not be required to comply with the guidance, as issued.

Conceptual Confusion and Uncertainty

Considerable confusion has been generated in recent months by the changing conceptual framework UMTA has used in describing its "privatization" initiatives.

Early on, the expressed or implied intention appeared to focus on directly replacing some or all public transit services with privately operated systems and services, hence the genesis and use of the term "privatization." Recently, the public vs. private distinction has been dropped as the dominant concept, and replaced by the promotion of fair and open "competition" among any and all potential providers of service, public, private or otherwise.

In considering how to interpret these changing concepts, however, public transit professionals as well as representatives of the private bus industry have each pointedly suggested that neither concept, "privatization" nor "competition" accurately reflects the real interests or the appropriate public-private relationship to be sought or promoted.

In contrast, public and private operators themselves have focused on the "coordinated" relationships that must be sought and expanded, and the "supplementary" nature of private services in relation to the continued dominance of public transit operations.

The sharply contrasting concepts emerging from the public and private providers result from two critical issues which the UMTA guidance fails to recognize or address. First, despite reference to and support for the establishment of a "level playing field" on which to base cost comparisons, it is recognized by public and private transit professionals alike that it will continue to be extremely difficult, if not impossible, to arrive at and apply a fully-operational, broadly-accepted procedure or approach.

Second, to cast the public-private relationship primarily in "competitive" terms automatically introduces an adversarial nature to the relationship which is viewed by both public and private interests as undesirable and potentially damaging. The extent to which UMTA initiatives are based on narrow cost comparisons and the concept of competition may, in fact, work against the development of the type of cooperative relationships both public and private providers are actively seeking.

It is questionable whether the current UMTA guidance fully or accurately reflects the views of either the public or private sector and it is clear that the considerable confusion that exists over the concepts involved and the means to pursue them must be resolved.

The Focus on Cost Comparisons as the Basis for Decision-Making is Too Narrow

The provision of public services, including public transit, and the use of public funds to support such services requires consideration of a host of factors. The proper framework for evaluating these decisions must be broad rather than narrow. Also, the public decision-making framework, factors and objectives will likely vary from community to community. Under these conditions, it is neither prudent nor responsible to force public investment or policy decisions to be made solely on the basis of micro-economic, short-run cost comparisons.

The guidance, however, promotes only micro-level cost-related comparisons in characterizing the scope of the local evaluation process UMTA will require. The guidance fails to mention or recognize factors and objectives equally important to public and private operators that must be part of responsible local decision-making, e.g. safety, reliability, performance, responsiveness, system coordination, etc.

In all but the most rare cases, the involvement of private or other companies in the provision of public transit service will require the use of public funds to support these services. The use of public funds, in turn, demands accountability on the part of both decision-makers and private operators that extends well beyond the simple comparison of short-term costs. In this key respect the guidance provided by UMTA is largely incomplete and inappropriate to the task of guiding responsible public decisions.

Contradictions with other Federal Initiatives

In several areas, the actions taken by UMTA to promote either greater involvement of the private sector or more competition in the provision of transit services have not been reconciled with important policies, proposals and requirements either contained in current law or being offered by other agencies within the Administration. These contradictions and unresolved questions are likely to frustrate efforts to comply with UMTA policy or achieve our mutual objectives.

Three major issues come to mind in this regard:

1. Labor. The lack of any attempt to reconcile UMTA/DOT privatization policy and guidance with the long-standing labor protection and certification provisions of 13(c), administered by the Department of Labor, is a major problem. It is unreasonable and improper for UMTA to place grantees in the unavoidable position of either violating or being unable to complete the required 13(c) certification process, or violating UMTA privatization policies.

   Because the penalty for failure to comply with either of these requirements is the loss or significant delay in the flow of UMTA funds, UMTA has itself created a situation that is guaranteed to handcuff grant recipients and greatly slow the flow of funds. This result is unavoidable, despite the contrary assertions in the guidance to not allow the flow of funds to be slowed.

   APTA and its members have routinely called for administrative revisions to the Section 13(c) certification process to avoid such problems. As recently as March 7, 1986, we have requested by letter to the Secretary of Labor and the Secretary of Transportation that they meet to arrive at a solution that will eliminate the "catch-22" situation that now exists. Resolution of the 13(c) issue between DOT and DOL is essential if increased involvement of private providers is to occur. We continue to urge administrative changes to the process.

   The same confusion and lack of progress will result as long as UMTA policy and guidance on privatization continues to disregard the formal legal obligations which UMTA grantees have in the form of existing collective bargaining agreements.

To reinforce UMTA and industry efforts to involve and engage private providers more extensively, or to contract out work more often, UMTA must recognize that multi-year collective bargaining agreements often represent legitimate constraints to immediate action by grantees. Similarly, the policy should recognize that it may be both impossible and undesirable to open or renegotiate those agreements before they expire.

Finally, federal policy should recognize that if cost-effectiveness and cost-savings are the true mutual objective, greater savings may be gained in the collective bargaining process from agreed-upon adjustments to wage, fringe and other contract provisions than can be gained from the mandatory expansion of contracting provisions or elimination of restrictions on contracting, whether through policy or statutory change.

This, in fact, has proven to be the case in areas which have historically been heavily involved in contracting for services. Both workers and management have bargained and reached agreements in other areas that have produced in much greater cost savings than would have resulted from the provision of increased contracting authority. Transit managers must continue to have the flexibility to make or negotiate these trade-offs, unimpeded by federal policy, regulation or statute.

As long as the proposed policy and guidance are blind to the realities of labor-related questions, success in the privatization area will be limited, and further progress greatly frustrated.

2. Tax Proposals. Although it is mentioned only peripherally in the guidance, efforts to attract private financial participation in transit capital investments is a critical issue. In recent years the industry has been extremely innovative in creating, marketing and successfully reaching agreement on arrangements which have resulted in major financial participation by the private sector in transit capital projects. UMTA, in fact, has been a great promoter and supporter of this activity.

The Administration's current proposals for tax revision, however, very badly undercut these efforts. Proposed limitations on tax-exempt bonding which reduce allowable private benefit from participation in public projects to nearly nothing, as well as other tax provisions supported by the Administration all greatly discourage the increased private investment both UMTA and the industry seek.

The usefulness of UMTA and DOT policy in this area can only be demonstrated through a strong signal from the Administration to preserve or expand, rather than eliminate, the tax incentives for private investment in transit.

We strongly urge UMTA and DOT officials to actively support tax changes that reinforce UMTA's longstanding interest in greater private sector involvement.

3. Expanding Public Charter Restrictions. Since the initial proposals on privatization, the target has shifted and terminology has changed dramatically as noted earlier. It is now apparently UMTA's intention not to promote greatly increased participation by private industry per se, but to promote greater "competition".

The most popular phrasing which captures this idea is the "creation of a level playing field" on which public, private for-profit and non-profit entities all compete fairly and openly for the opportunity to provide service to the public.

The concept of increasing competition is a sound one, although the practical questions of how such competition can be managed, sustained or promoted over the long term are unanswered.

UMTA's commitment to the concept of "competition" and the "creation of a level playing field", however, raises a question. In proposed revisions to UMTA charter bus regulations published on March 6, 1986, UMTA proposed to totally prohibit public agencies from providing charter services, except where no other private operator is willing and able to do so.

APTA and its member systems will be providing separate comments on the proposed charter bus regulation. By it's nature, however, the UMTA proposal for prohibiting public charter activity contradicts the commitment to open and fair competition. If increased competition for the opportunity to provide public transit services is desirable for its own sake, open and fair competition for the opportunity to provide charter services should be equally desirable, assuming fair and balanced comparisons of cost and performance can be made.

What is considered to be in the public good on the one hand must certainly be in the public good on the other. If the concept of open competition is only to be applied selectively, then it would appear that UMTA's interest lies in the creation of a "level playing field" only at one end of the field and not the other, with the clear advantage to be given to private providers and increasing disadvantages imposed on public bodies.

It should be noted that Section 3(f) of the Act, which contains the statutory basis for conditions under which public agencies may currently engage in charter activities does, in fact, promote competition. The kind of charter prohibition being proposed by UMTA, therefore, may not only contradict the concept of competition being promoted through the privatization guidance, but may also be inconsistent with the statutory language of Section 3(f).

The common theme in these issues is the uncertainty and unresolved contradictions that appear to lie at the root of UMTA's privatization policy and guidance. To successfully pursue our common objectives regarding privatization, efforts must be undertaken to resolve these contradictions before UMTA grantees or private interests can reasonably be expected to respond.

COMMENTS ON SPECIFIC ASPECTS OF THE PUBLISHED GUIDANCE

In addition to the broad issues noted above, we would like to offer the following comments on specific aspects of the guidance.

Development, Issuance and Retroactivity of the Guidance

It is unfortunate, given the broad support that exists in the public transit industry for more appropriately integrating private providers, that no consultation was undertaken in the initial efforts to shape policy and guidance on this important issue. As suggested by Congress, careful, considered deliberation among all parties would have been, and still can be, the most productive and fruitful avenue by which to pursue subsequent steps that might be taken to meet our shared objectives.

Of greater concern, however, is the timing and retroactivity of the guidance. It is both unjustifiable and extremely damaging to the progress of local transit programs across the country to effectively interrupt planning, programming and budgeting processes that are already well underway or perhaps complete, to insert a new, extensive documentation requirement and review process.

Transit systems from around the country have noted the delays in grant processing that have already resulted from the immediate effective date and retroactive application of the guidance. Notwithstanding the stated intention of the guidance to not impede the flow of funds, as a practical matter, it is impossible to avoid such delays, which in many cases are already considerable.

Without considering the merits of the guidance in detail, it would have been desirable to use the beginning of Fiscal Year 1987 as a logical effective date. This was done, in fact, in issuing the guidance for the Section 18 and 16(b)2 programs. There is no rationale for treating various categories of UMTA recipients differently in this regard, particularly when the impact on the flow of funds to urbanized areas may be so adversely affected.

UMTA's Framework is Too Narrow

Although the guidance contains both specific and general references to the involvement of private providers in functions other than on-street revenue service, the overwhelming focus of the documentation requirements and the thrust of the underlying policy is on competitive bidding for regular-route transit service.

We believe UMTA's focus on regular route service is too narrow. The objective shared by UMTA and the industry is to perform services in a more cost-effective manner and, to reduce the absolute cost to the public of providing those services. To meet these objectives, it is more appropriate to focus broadly on the full range of functions that make up a public transit system's budget, not just on a single type of revenue service.

We suggest UMTA adopt a more meaningful and complete framework for considering privatization and competitive activities, one which specifically does not overemphasize one type of activity versus another. Such a framework should include as major elements, private sector involvement in revenue services, support services, administrative services, capital programs and private sector participation in cooperative, promotional related programs. Each of these have obvious sub-elements, the identification of which would establish a comprehensive and logical system around which to organize and monitor the full scope of privatization activities.

Lack of Clarity in the Guidance

In two major respects the guidance is both unclear and confusing. First, there is a lack of clarity in what is expected of grantees. Neither the content nor scope of the new documentation requirements are discussed adequately. Nor is it clear which documentation items are required for which projects or at what stage in the programming and grant application process.

The second issue is the lack of clarity and uncertainty over the standards UMTA will use to evaluate and assess compliance based on the required documentation. Confusion over this issue exists both among grantees and apparently among UMTA regional offices.

Because no time has been allowed to establish and communicate these basic intentions and expectations, the only possible result is the kind of delay and confusion now becoming apparent in grant processing.

Unresolved Definitional Issues

A closely related problem is the lack of meaningful definitions in the guidance. A host of terms and phrases may have widely varying interpretations which will confuse the development of the required documentation, as well as its review and disposition. Lack of meaningful definitions for such phrases and terms as "new and restructured service," "fully allocated costs," "involvement," "full consideration of," "justify its decision," etc. invites inconsistent judgments and prolonged deliberations between UMTA and grantees which will invariably effect both the flow of funds as well as progress in achieving more meaningful involvement of private operators.

As an example of this problem, UMTA apparently has no technical or operational definition of the concept or term, "fully allocated costs." It is our understanding that an accounting firm only recently has been engaged to advise UMTA on both detailed definitional options and related issues. Obviously, it is extremely difficult, if not impossible, for an UMTA grantee to apply a concept which may not yet be defined and which UMTA staff themselves cannot yet interpret.

Lack of Attention to Past or Current Efforts

Although the guidance requests documentation on past efforts to involve private operators, the overwhelming thrust of the guidance is to judge compliance based on future efforts, irrespective of past or current activity. As a practical matter, the extent to which future involvement can or should be increased will vary, however, depending on past and current efforts, which, in the case of many transit systems have been substantial.

To be meaningful, any guidance should explicitly provide for recognition of and credit for past performance.

Integration with Other UMTA and Federal Requirements or Regulations

The failure of the guidance to address the 13(c) labor protection issue is indicative of a whole series of unanswered questions that are central to any future progress. UMTA recipients are required to comply with and conform to a host of requirements flowing out of UMTA law and regulation as well as other federal laws and regulations. These include requirements dealing with:

1) Equal Employment Opportunity

2) Disadvantaged Business Enterprise and Women's Business Enterprise Involvement

3) Title VI Civil Rights

4) Elderly and Disabled services

5) The Environment

6) Buy America

7) Audit

8) Recordkeeping and reporting, including Section 15

9) Findings regarding legal and financial capacity, maintenance capability etc.

10) Charter and school bus services

11) Procurement

12) Public involvement

Nowhere does the guidance attempt to clarify or set forth how each of these very significant requirements are to be met, waived, shared or passed - through to providers of transit services other than the public operators whose involvement may be supported by federal or other public assistance.

For private providers to become more knowledgeable about and involved in the provision of public transit services they, as well as the public agencies with which they coordinate or contract, must be given well-conceived, consistent guidance on how these and other requirements are to be applied and satisfied.

Efforts must be made to reconcile and coordinate the privatization initiative with these and other pre-existing requirements. We believe UMTA has an obligation to address these and related issues before enacting specific requirements or conditioning program or grant approvals on reported progress.

Documentation Requirements are Too Burdensome

Contrary to statements contained in the guidance, the issuance in 1984 of the UMTA Policy on Private Enterprise Participation has not provided grantees with an understanding of how they might proceed in developing any of the extensive documentation now required by UMTA. As a consequence, it will certainly be the exception ratner than the rule that documentation can be developed in any meaningful way either from existing materials or after-the-fact in the case of already completed planning, programming or budgeting activities.

As a result, preparation of the documentation required by UMTA will, in fact, require a substantial amount of effort, both in time and cost. The manpower requirements and cost of service evaluation, solicitations of interest, specification development, evaluation of unsolicited proposals, reporting past and future activities, meetings etc. will be extremely burdensome.

This is particularly ironic at a time when UMTA has committed itself to reducing paperwork burdens as noted earlier, and has repeatedly fought for the elimination of federal operating aid which, in part, supports the administrative costs of complying with such federal requirements. It appears again, that rather than establishing a balance between objectives -- i.e. privatization and reduction in federal red-tape -- that the guidance reflects a disregard of the later in favor of the former.

On a final point, we would like to request a specific interpretation from UMTA with respect to whether or not the request for new documentation may violate the Paperwork Reduction Act, exceed UMTA's allotted paperwork burden budget, or should require approval through OMB with respect to the authorization needed to request new data from federal grantees.

Problems in Interpreting and Applying Specific Guidelines

In several instances, we believe there will be problems in interpreting and applying specific portions of the guidance. As a general matter, we believe that the process of documenting and monitoring private sector involvement is made unnecessarily complex by requiring different types of documentation for varying types of projects. This is true also of the necessity for UMTA to review varying documentation for compliance on a project-by-project basis.

It should be possible and certainly desirable for UMTA to assess progress and establish compliance a program level rather than on an individual project level.

In addition, we have specific concerns that further call into question the advisability of using detailed, project-specific requirements and distinctions. First, the guidance identifies separate approaches to compliance review and documentation for vehicle purchases for new or expanded service, and for replacement. The guidance implies that the routes on which these vehicles are intended to be used should be analyzed for private involvement potential.

As a practical matter, however, this approach does not reflect how vehicles are deployed in actual practice. New vehicles, purchased for replacement or expansion, are virtually never scheduled or run on a single route, in a single corridor or even from a single garage or operating division. They are instead scheduled into service throughout an entire system. There is seldom, if ever, a one-to-one relationship between new vehicles purchased and service to be operated on a specific route or area. This calls into question the meaning and intent the guidance, which apparently requires grantees to assess and evaluate specific services when new vehicles are to be used.

In fact, as mentioned earlier, provisions of Title VI of the Civil Rights Act and related UMTA regulations and guidance restrict the discriminatory deployment of vehicles and equipment.

A second point of confusion has to do with the implied process for evaluating private involvement when maintenance facility investments are being proposed. The performance of maintenance functions is certainly an area that offers great promise in terms of private involvement. In fact, the transit industry has for a long time been engaged in contract maintenance activities in both large properties and small.

A critical relationship, however, exists between the location of a maintenance facility and the route structure serving the area or region in question. To minimize costs, an ideal maintenance facility location can be identified. The corollary is that to move vehicles far from this ideal location, one in which a potential private contractor may be housed, can be highly inefficient and costly. A very simple initial comparison of the cost of deadheading vehicles to an alternative location vs. the potential savings from contracting can show whether an "opportunity" really exists, without any exhaustive analysis and documentation.

In such an assessment, as noted before, other factors such as routing through residential neighborhoods, traffic circulation and management issues, environmental considerations and labor considerations all must be incorporated into the decision in addition to cost. As the guidance now stands, neither the reality of maintenance location decisions nor their complexity are adequately reflected. For these reasons, we believe it would be inappropriate, either in guidance, regulation or statute to attempt to speak to the varied and specific issues associated with individual types of projects proposed in different urban settings. The current guidance promotes more confusion with respect to day-to-day transit operations than it provides clarity or incentives.

The Guidance is Silent on Procurement Practices and Dispute Resolution

The apparent intention of the guidance is that public-private decisions awarded through a competitive process would be made on the basis of low-bid. We believe this approach is inappropriate and that potential providers, public and private, ought to be encouraged via the procurement and contracting process, to be innovative in responding to requests for bids. In that vein, it would appear that negotiated procurements are at least as desirable if not more so, and that public agencies ought to have the freedom to make use of a range of procurement processes.

We also believe that contract extension options should be available to contracting agencies when innovations, incentives and contractor performance warrant, without the necessity of rebidding each and every contract upon expiration. Experience in the industry by both public authorities and private operators has shown this type of flexibility is required, as a practical matter, to arrive at positive, meaningful relationships between public and private providers. Any guidance offered by UMTA should specifically address the procurement issue, hopefully in broad rather than restrictive terms.

A second matter has to do with resolution of disputes or bid protests. Both the industry and UMTA are aware of the continuing problem of managing the bid protest process. If the private interest in contracting to perform public transit services or functions is as ardent as some believe, we must be prepared to manage a new stream of dispute resolution better than it has been managed in the past.

We believe that before UMTA grantees are asked to conform or comply with currently vague and unclear guidance or requirements which promote new bidding and contracting arrangements, that UMTA and the industry complete discussions that have already begun on better managing bid protests and dispute resolution.

If early attention is not paid to this issue, there is the possibility that the flow of funds, the provision of service and the increased involvement of private providers all will be greatly frustrated.

Impacts on Smaller Transit Systems

As docket comments by APTA member systems clearly show, there is a significant disparity between the logic and impact of applying the guidance on smaller systems operating less than 100 vehicles and application to systems serving major metropolitan areas. These disparities seriously call into question whether a uniform set of extensive requirements should be applied across the board, to all UMTA grantees. Some of the most critical issues are these:

1) Far fewer potential private providers typically exist in smaller communities so the task of repeated, extensive analyses of current services or opportunities, outside of routine system monitoring will be, an unnecessary, unproductive and wasteful exercise for smaller systems;

2) Smaller systems are simply not staffed or funded to carryout the entire range of activities required in the current guidance. Often a single staff person is responsible for performing all tasks related to UMTA program matters. Frequently, that responsibility comes on top of other day-to-day operational responsibilities. Responding to the proposed guidance represents an overwhelming and unjustified new burden in these circumstances;

3) Smaller systems typically are already utilizing, coordinating or contracting with the most cost-effective, least costly service providers in the area. Usually, this is through relationships with various human service and non-profit organizations. It is extremely unlikely that artificially inducing or requiring "competition" in these situations can produce a pay-off worth the effort;

4) Finally, UMTA's own research shows that little or no economic advantage can be gained through competition by transit systems of 100 buses or less. In fact, evidence suggests that the economic advantage already lies with the smaller public providers in many instances.

> A recent report prepared for UMTA highlights this by saying, "...there is essentially no difference in operating costs between public and private operators for systems of 100 or fewer vehicles." [15] Also, that, "...it would not be expected, therefore, that small privately contracted fixed-route services would demonstrate significant cost savings compared to comparably sized public agency operated services... Public agency operators of small systems appear to be cost competitive with many private contractors, or at least to be no more than a small cost disadvantage."[16]

Having noted these factors and with this evidence in hand, we question whether or not it is necessary at all to impose policy, guidance, regulation or statutory requirements on systems of 100 vehicles or less.

This same logic holds true for Section 18 recipients serving small urban and rural areas as well as for 16(b)2 operators, as we have noted in our comments to UMTA Docket 86-B.

Assessing Progress in Large Metropolitan Areas Having Multiple Public Operators

The proposed guidance is designed for application to individual UMTA grant recipients and requires each to provide extensive documentation on its own efforts. In large metropolitan areas served by several public operators, however, this approach leads to substantial duplication of effort and promotes a fragmented rather than coordinated approach to regional service delivery.

We believe that any review of progress and activities should allow for and promote a regional perspective as a principle focus, and only address individual operator activities on an exception basis or as a secondary concern.

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15) Teal, Roger F. "Results of a Nationwide Transit Contracting Survey," Institute of Transportation Studies, University of California, Irvine, p. 8, November, 1985.
16) Teal, Op cit., pp.. 9-10

UMTA Management Philosophy and Capacity

As noted earlier, the intention to impose a considerable new pre-grant award review process is contrary to the philosophy and intention underlying the Section 9 program.

As important, however, is the question of UMTA's capacity to review, assimilate and respond in a timely manner to extensive, detailed submissions by hundreds of UMTA grantees. UMTA staffing levels have declined considerably in recent years and vacancies have gone unfilled. At the same time other new, time-consuming program management burdens have been imposed on UMTA personnel, including triennial reviews, rolling stock guidelines, etc. Under these circumstances, it makes very little sense to impose guidelines and a review process that will likely overwhelm UMTA's staff capacity, as well as that of most operators. The result, again, can only be potential major delays in the flow of federal funding to areas which have already experienced both significant slow downs as well as a 38% reduction in the purchasing power of federal assistance in recent years.

We suggest that an alternative and more appropriate management strategy may be for UMTA to focus its attention on the margin where problems may exist, or where the desire for assistance is greatest, rather than attempting to engage every grantee on a annual basis. Such an approach is clearly within UMTA's administrative prerogative, conforms to the spirit and intent of the Act, and requires no added statutory authority or documentation.

SUMMARY AND RECOMMENDATIONS

APTA and its members fully support efforts to better and more effectively explore opportunities to integrate private providers in the provision of public transit services. It is recognized simply as a matter of good management practice, if not an economic necessity. UMTA's initiatives in this area have raised the issue to a new and appropriate level and we want to commend UMTA for assisting in putting the issue squarely before the industry.

As an organization, we have attempted over the past five years, and with increasing efforts recently, to highlight the importance of the issue by focusing on the practical, "how to" questions that must be addressed if real progress is to be made and sustained over the long term. In the interest of focusing positively on the many practical issues that remain unresolved, we have offered the foregoing comments.

It is our sincere belief that continued progress will take place at an increasing pace under the current provisions of law, without new guidance, regulation or statutory changes. We also believe that extensive and cumbersome pre-grant award review processes are not necessary and, in fact, would be detrimental to meeting the objectives which are shared by the public transit industry, private providers and UMTA.

In the spirit of moving ahead cooperatively to meet our common objectives, we respectfully recommend the following:

1) That application of the current guidance be held in abeyance or suspended. The lack of clarity and resulting confusion that is building can only frustrate the continuation of current positive trends and retard the flow of assistance necessary to serve the public;

2) That joint efforts to arrive at solutions or answers to the many practical issues and questions raised above begin immediately along with more extensive joint research efforts or demonstrations on such key issues as managing and sustaining competition and service quality over the long term, detailed exploration of the sources of private sector cost advantages etc;

3) That no new requirements, guidance or regulations be made effective until these issues can be discussed, resolved and understood by all interested parties;

4) That the framework for any guidance be broadened and better balanced to reflect activities across the full range transit functions, not just revenue service; and, that any efforts to describe local evaluation mechanisms be sensitive to all factors required in making public investment decisions, not just cost;

5) That the entire range of optional means for assessing compliance with current UMTA law be reconsidered, including self-certification, post grant-award oversight through the triennial review process, etc.;

6) That alternative program management strategies, be reconsidered, consistent with UMTA's staffing capacity; and,

7) That UMTA consider applying the concept of fair and open competition equally to public agencies seeking to provide a whole range of competitive services (e.g. charter, goods movement etc.), as well as to private providers seeking to perform public transit functions.

We are eager to continue working with UMTA and the private provider community on what we believe are important shared objectives and we are appreciative of the opportunity to provide these comments. To further this effort, we would hope that UMTA will provide, via the Federal Register, its comments and responses to the issues raised here and by other commentators.

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ATTACHMENT 3B

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March 24, 1986

UMTA Docket Number 86-B
Urban Mass Transportation Administration
400 Seventh Street, S.W.
Room 9228
Washington, DC 20590

COMMENTS OF THE AMERICAN PUBLIC TRANSIT ASSOCIATION ON GUIDANCE ON PRIVATE SECTOR PARTICIPATION FOR SECTION 18 AND SECTION 16(b)(2) RECIPIENTS

The American Public Transit Association (APTA) is the international organization representing the public transit industry. APTA members include 350 American bus and rail transit systems which carry over ninety-five percent of those persons using public transit in the United States today. Member systems represent both public agencies and private providers including Section 18 recipients and state departments of transportation. Additionally, APTA has over 490 other members who serve the transit industry including consultants, manufacturers, suppliers, government agencies and academic institutions.

In its role as representative of the transit industry and on behalf of our members participating in or administering Section 18 and Section 16(b)(2) programs, APTA appreciates the opportunity to provide comments on the Guidance on Private Sector Participation for Section 18 and Section 16(b)(2) Recipients.

APTA and its members firmly support and encourage efforts to more effectively integrate public and private providers to enhance the mobility of U.S. citizens in small urban and rural environments as well as in urbanized areas.

It is our belief that both public and private providers of transit services of all kinds recognize and share common goals related to the provision of better, more cost-effective service to riders and taxpayers. Among these are goals: to increase ridership; to develop new markets; to expand revenue bases; to improve the quality and efficiency of services and to stabilize financial and operating environments.

As a reflection of these long-standing common goals, public transit managers and policy-makers have, for many years sought out and supported efforts to integrate private and other service providers in meeting public mobility needs. This integration has been particularily successful and wide-spread among recipients of Section 18 and 16(b)2 funds, who have had a long-standing and growing relationship with private for-profit and private non-profit transit providers.

In view of the well established pattern of public-private integration and cost-effective service being provided by recipients of federal Section 18 and 16(b)2 funds, we believe the issuance of the proposed guidance raises several issues and problems that require further consideration.

Is There a Need for Additional Guidance?

We question the need for implementation of additional detailed guidance and documentation requirements on Section 18 and 16(b)2 recipients and states. By their nature, Section 18 and 16(b)2 service providers are already among the lowest-cost systems in operation. Typically, to sustain basic services in small urban and rural settings the vast majority of these operations are already highly coordinated and integrated with the lowest cost providers available, including human service agencies and other non-profit providers. It is difficult to imagine that forced analysis and artifical competitive bidding procedures can achieve meaningful additional cost reductions in this type of environment. This will be particularily true since the number of potential providers in small urban and rural areas is usually quite small, and both public and private service providers are generally well known to one and other.

A second concern which calls into question the need for the proposed guidance, is documentation funded by UMTA which suggests that the cost advantage of private providers in operations utilizing less than 100 vehicles is minor, if not nonexistent.[1] If this is generally true, then why is there a need to impose new guidance and procedures on recipients in this size range?

Third, there does not appear to be a distinct statutory basis for the imposition of new guidance and requirements intended to increase or expand the competitive provision of services by private providers. In fact, statutory references require only that programs of projects to be funded under Section 18, provide for "...the maximum feasible coordination of public transportation services assisted under this section with transportation services assisted by other Federal sources,"[2] (emphasis added).

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[1] See Teal, Roger F., Results of Nationwide Transit Contracting Survey. Institute of Transportation Studies, University of California, Irvine, November, 1985.

Finally, we are unaware that any problem or pattern of complaints exists in the coordination or integration of public and private service providers under the Section 18 or 16(b)2 programs that would warrant the imposition of the extensive, new documentation requirements being proposed.

The Proposal Represents a Significant Additional Burden

A second area of concern relates to the substantial additional burden that compliance with the guidance, as written, would create. Since the enactment of the Surface Transportation Assistance Act of 1982, the dominent and unanimously supported program management philosophy has been to reduce red-tape and federal intrusion into local decision-making and to streamline the delivery of federal resources. The proposed guidance, on the other hand, will greatly increase federal red-tape and intrusion, and likely slow the delivery of federal funds. It should be noted that several states have already identified slow-downs in the flow of Section 18 funds since UMTA began administration of the program.

Recipients of Section 18 and 16(b)2 funds are neither staffed nor funded to cope with the collection, analysis, preparation and submission of (9) new documentation requirements. In many cases, state DOTs are equally unprepared to institute extensive new pre-grant award review and compliance procedures on behalf of the federal government.

An example of the confusion and potentially intrusive nature of the guidance is the effect it may have on related programs and sources of support for Section 18 and 16(b)2 services. For instance, although Section 18 or 16(b)2 funding may provide the major source of support for capital investments or vehicle acquisition, respectively, a significant share of operating and maintenance costs may be paid directly or indirectly through a variety of other social service organizations. This is particularly true of 16(b)2 services. Conditioning UMTA capital

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[2] Urban Mass Transportation Act of 1964, as amended 49 U.S.C. 1614.

(or operating) grants on the extent of efforts to privatize, will certainly promote disruption in programs and services sponsored or funded by multiple agencies. This effect would run directly counter to the statutory requirements of Section 18(b) which demands maximum feasible cooperation among federal programs.

Lack of Clarity and Definitional Issues

In several instances, items in the guidance are not clearly defined, or the definitions and concepts used appear inappropriate or contrary to the basic objective, i.e. provision of the most cost-effective and low-cost service.

For example, the requirement to provide reasonable notice to "possible new business entrants" appears to place a very difficult and inappropriate burden on operators to somehow monitor the formation of or evolving intentions of new or existing business enterprises in the area.

A second problem is the requirement for "periodic review of existing services." Not only is such an exercise costly and time-consuming, but it would be irrelevant and unnecessary in the many instances where it can be determined at the outset that no willing or alternative service providers exist.

Third, the language in Section 3(k) of the guidance appears to exclude consideration of private non-profit organizations when assessing progress in the integration of private providers. This is an extremely damaging and inappropriate limitation. In many instances non-profit operators are already involved and provide significant cost advantages. The proposed language, however, would act as a disincentive to continued or expanded use of non-profit providers. Secondly, if one of the objectives of the guidance is to encourage greater competition in the provision of services, it makes little sense for UMTA to restrict who may compete.

Summary and Recommendations

We believe the extension of the guidelines, as written, to Section 18 and 16(b)2 recipients and state DOT's is inappropriate and unnecessary. In addition to the foregoing comments, we would like to reference comments provided by APTA to

Docket 86-A which raise a number of other issues which may be equally important and applicable to the Section 18 and 16(b)2 programs.

Jack R. Gilstrap

ATTACHMENT 4A

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Carmen E. Turner, Rail Transit

March 7, 1986

The Honorable William E. Brock
Secretary of Labor
U. S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D. C. 20210

Dear Secretary Brock:

On December 27, 1985, you replied very candidly to a letter from the American Public Transit Association ("APTA") expressing concern over section 13(c) of the Urban Mass Transportation Act and the Administration's privatization policy, which is being implemented by the Department of Transportation's Urban Mass Transportation Administration ("UMTA"). You stated: "with respect to the privatization issue, we agree that there is a need for greater clarification of how section 13(c) will be applied."

About a month later, on January 24, 1986, UMTA published guidelines on privatization applicable to recipients of federal transit assistance. The guidelines were effective on the date they were published, but established a comment period that now is set to expire on March 26, 1986. While the guidelines ask recipients to identify "impediments to contracting out" and steps that will be taken to resolve these impediments, they do not clarify how section 13(c) will apply to privatization projects. Our transit system members throughout the United States are very concerned about this issue.

Given your recognition of the need for greater clarification and the fact that recipients of federal assistance must comply now with the Administration's privatization policy, APTA believes a meeting with representatives of the transit industry and both the Departments of Labor and Transportation would be very constructive. Such a meeting could serve as a means of identifying issues in need of clarification and reduce the possibility that transit systems would be subject to conflicting federal grant requirements.

Please let me know if you believe this idea has merit. APTA would be pleased to make the appropriate arrangements for such a meeting. I have sent a similar letter to Secretary of Transportation Dole and UMTA Administrator, Ralph Stanley.

Sincerely,

Jack R. Gilstrap

ATTACHMENT 4B

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March 7, 1986

The Honorable Elizabeth H. Dole
Secretary of Transportation
U. S. Department of Transportation
400 Seventh Street, S. W.
Washington, D. C. 20590

Dear Secretary Dole:

The American Public Transit Association ("APTA") recently wrote to Secretary of Labor Brock expressing concern over section 13(c) of the Urban Mass Transportation Act and the Administration's privatization policy, which is being implemented by the Department of Transportation's Urban Mass Transportation Administration ("UMTA"). In his reply to our letter, Secretary Brock agreed that there is a need for greater clarification of how section 13(c) will be applied with respect to privatization.

The need for clarification is even greater now that UMTA has published privatization guidelines which become effective on the date of publication, January 24, 1986. In fact, our transit system members generally have expressed great concern over the question of how section 13(c) will be applied to a privatization project.

For that reason, APTA believes a meeting with representatives of the transit industry and both the Departments of Labor and Transportation would be very constructive. Such a meeting could serve as a means of identifying issues in need of clarification and reduce the possibility that transit systems would be subject to conflicting federal grant requirements.

Please let me know if you and UMTA Administrator Ralph Stanley believe this idea has merit. APTA would be pleased to make the appropriate arrangements for such a meeting. I have sent a similar letter to Secretary of Labor Brock.

Sincerely,

Jack R. Gilstrap

Mr. Lehman. We and you are exactly together on the problem we will be dealing with, and the huge cut, percentage-wise, that UMTA is having to take under the Gramm-Rudman and administration budget. It is not fair, and we will see what we can do to help.

Mr. Coughlin. Thank you very much.

I want to welcome you and thank you for your testimony. I particularly, of course, want to welcome my transit chairman, Lou Gould, from the Southern Pennsylvania Transportation Authority, a friend and associate of many years standing; indeed, someone with great expertise in the field of transportation.

I was particularly interested in your testimony. I think it is very helpful to us that you had in your written testimony some comments and some statistics on the differences in wage increases in the transit sector and in other sectors. There has been some testimony from UMTA to the effect that transit authorities may have been irresponsible in their wage negotiations, and that the Federal contribution to that may contribute to that irresponsibility. I think these figures are very important.

I ask the question that you probably are asked every year, in trying to respond to the argument that those who control the wages, the routes, the schedules and the various operating things, should be responsible for funding those. I have always said that however non-labor or recommended maintenance in particular, that didn't make much sense to be providing buses and not providing maintenance of those.

If you receive same amount of money that you now receive, for operating expenses, but that was limited to be applied to non-labor-related mainly, how would that affect transit authorities?

Mr. O'Sullivan. I think that from the smaller operator perspective, even in small operators of that, those though provide under 100 buses at peak, we are pretty much off on a higher scale in probably Federal operating assistance, about 20 percent over our budget, if you had maintenance item and insurance and some other related items possibly, the capital was freed up, it might help to ours, most of rural systems, systems smaller than ours would be severely hurt with that type of approach, because they have a higher percentage of Federal funds relate to their budget.

So, I don't think that they would be able to use their maintenance items, would not equal the amount of operating systems. So I think greatest number of transit authorities, those who smaller systems, 100 buses or less, would suffer under that type of program.

Mr. Coughlin. Thank you.

Mr. Lehman. Thank you. Just keep in touch.

Wednesday, April 23, 1986.

FEDERAL AVIATION ADMINISTRATION

WITNESS

J. ROGER FLEMING, SENIOR VICE PRESIDENT, TECHNICAL SERVICES, AIR TRANSPORT ASSOCIATION OF AMERICA

Mr. **Lehman**. Mr. Fleming.

Mr. **Fleming**. Good afternoon, Mr. Chairman. I will summarize my statement in accordance with your earlier request and ask the entire statement be included in the record.

Mr. **Lehman**. Without objection.

Mr. **Fleming**. I am pleased to appear before you this afternoon on behalf of the AT members to address the administration's fiscal year 1987 budget request for FAA.

It is our view that the administration's request is inadequate to meet the clearly established airport and airway needs of this country.

Furthermore, the budget request ignores the fact that sufficient resources are available in the User Resources Trust Fund that was created for improving and maintaining the safety of our Nation's airport and airways systems.

Before addressing our views about the administration's fiscal year 1987 budget request, I would like to express our gratitude to you, other Members of the Subcommittee, and the House Appropriations Committee for its leadership in conjunction with efforts to provide an $85 million urgent supplemental appropriation to the FAA in the current fiscal year.

It is very disturbing to hear Mr. Mineta's and your comments about the additional $50 million or so that may be needed to continue operations of that agency.

Turning now to the FAA request for fiscal year 1987, we face the disturbing combination of an enormous trust fund surplus while there are substantial unmet system development and operating needs.

For example, a review of FAA's most recent addition of the NAS plan which was issued in 1985, and a comparison of that 1985 document with the original plans published in 1981, clearly shows the number of important safety and capacity improvements have already been delayed notwithstanding the fact that expenditures for such improvements are entirely supported by taxes paid for by the users.

Now, in addition, damaging cuts in F&E, R&D and AIP spending are requested by the administration for 1987. That 1987 administration budget request is predicated on total budget targets established in Gramm-Rudman-Hollings which bear little relationship to aviation trust fund resources available or what is required to insure a safe and efficient aviation system.

The impact of the fiscal year 1987 budget cuts under the administration's request would be extremely serious. Since 1982, NAS modernization has fallen short of authorized levels by about $1.5 billion and the Administration's budget request for the coming year would result in program cuts of another $700 million.

While recommending that user tax supported programs be funded about 30 percent below their authorized levels, the administration at the same time proposes to amend the authorizing statute to permit funding $2.1 billion of operation and maintenance costs from the trust fund.

The ATA members strongly oppose this latter proposal. The funding of FAA maintenance and operations from the trust fund at the expense of the programs on which the future of our aviation system rely is simply unacceptable. Trust fund revenues will exceed $4 billion in fiscal year 1987, which is more than enough to fund all the trust fund programs to full authorization levels.

The need is clearly identified. The users are providing the resources to meet the need and ATA urges this committee to appropriate if at all possible the full authorized program levels.

Turning now to the F&E request, and the NAS plan, the administration's request for $825 million is clearly inadequate as noted by Chairman Mineta in his earlier remarks. During the fiscal year 1986 appropriation hearings, the FAA indicated that if critical NAS plan programs were to be carried out on schedule, the cumulative funding deficiencies now amounting to about $1.5 billion would have to be resolved or slippages in major programs and their schedules were bound to occur.

Now, Mr. Chairman, the FAA administrator has publicly stated that the agency proposes to abandon the full funding concept which has in our estimation been a very important cornerstone in that program.

It is widely recognized that the National Air Space System must be modernized for it to meet the operational and capacity challenges of the future and also the safety needs. We supported the NAS plan when it was first announced by FAA.

We supported the establishment of tax and spending levels adequate to implement it on a timely basis. We continue to support NAS modernization, however, we grow increasingly concerned about potential slippages in the implementation of major components without which safety, efficiency and productivity gains for both operators and the government will be delayed.

A major element in the NAS plan that warrants special comment is the FAA request for $72.1 million to continue the design competition phase for the Advanced Automation Systems Program. That has already been mentioned during this afternoon's proceedings.

We have, Mr. Chairman, examined and studied the GAO report to you and also the FAA's response to you. It is the ATA members' view that we continue to support the FAA's Advanced Automation System Program objectives.

We believe the agency has adequately provided for testing and control of risks in their acquisition strategy and the ATA members do support the FAA's request for $72.1 million to continue the design competition phase in this coming year.

You have, of course, an additional study coming to you we understand next spring on the cost benefit aspects of that program and that study should provide all of us additional insight into what needs to be done in the future.

In addition to F&E items in support of the NAS plan, F&E items are needed to enhance the capacity and reliability of the airport and airway system. Last year we presented to this committee recommendations for items, F&E items, as well as airport projects to enhance capacity of the so-called 22 Pacing Airports.

I can't believe progress has been made by FAA and the airport operators in this industry-wide effort over the past year, but a number of important projects remain unfunded. Among these are

RVR systems and instrument landing systems and specific recommendations for these are listed in my statement.

With respect to the question Mr. Coughlin asked earlier about MLS, a partial answer may appear on page 10 of my statement. I did not intend to dwell on it.

The overwhelming majority of airline aircraft will not be equipped to use the microwave landing system until well into the next decade.

Turning now to the FAA's research and development request, an appropriation of $134 million is being sought. This request is $59 million short of the authorized level and that short fall for one year's funding is nearly as much as the cumulative short fall of $76 million, which has occurred in fiscal years 1983 through 1986.

Aviation RE&D is critical to the future success of air space modernization. Underfunding RE&D will detrimentally affect NAS planned implementation schedules or FAA programs for increasing air space and airport capacity.

We note that the constrained fiscal year 1987 RE&D budget request does not include sufficient funds to complete important safety research on FAA's Traffic Alert and Collision Avoidance System known as TCAS. Although $4.3 million is included in the request, to support further TCAS development this funding level is inadequate to complete a timely operational evaluation of limited horizontal maneuvers as an add-on capability to the TCAS-II equipment configuration.

Airlines need this in-service evaluation of the expanded TCAS-II capability so that sound decisions can be made on the most appropriate equipment configuration for installation in airline aircraft and about an additional $9 million in RE&D funding is needed for this purpose.

Finally, critical RE&D programs designed to enhance existing airport capacity are facing curtailment for lack of funds. I note four there.

There are a number of others which are the subject of recommendations by the industry task force on airport capacity improvement and delay reduction chaired by Mr. Don Riley of OCI. I am sure you are aware of those.

With respect to the RE&D program and the F&E program, you asked several questions earlier of the Chairman on the NEXRAD and terminal doppler weather radar programs. The airlines would certainly share the views put forward by those two chairmen.

Turning now to the airport improvement program, the Administration has requested $712 million for AIP, $305 million less than the authorized level.

This is the smallest request advanced for airport grants in recent years. The need for airport capacity enhancement and expansion continues to be indispensable to the future of the aviation system.

The FAA's National Plan of Integrated Airport Systems forecasts air development needs of $12 billion through 1993, over six billion of which will be needed to enhance the capacity of the system. All segments of the aviation industry have joined with the FAA, state governments, airport operators, and yourselves in coordinated efforts to enhance and expand airport capacity and create new facilities where needed.

The AIP program is an integral part of those efforts currently providing one out of every $3 of airport capital financing. The budget request will virtually destroy FAA's ability to make meaningful discretionary grants.

Turning now to the operations and maintenance budget request, the Administration would provide O&M funds for needed safety and security services and, of course, funds to operate the air traffic control system.

We certainly agree that essential safety and ATC functions are absolutely essential to the needs of the travelling and shipping public. Most of the current problems with the ATC system are associated with inadequate manning of specific ATC facilities.

Therefore, we believe that the primary focus should be on manpower requirements. This should include the hiring and training programs to bring all ATC facilities to required staffing and performance levels and the implementation of a more effective management planning process at FAA to define future resource requirements.

Our statement includes more detailed recommendations. Also of growing concern, our air traffic control facility maintenance personnel levels. Again, Chairman Mineta addressed those needs in his statement to you earlier this afternoon.

The administration came forward this year as it did last year with two controversial proposals that are inconsistent with congressional intent and which we strongly oppose. I have already mentioned the first of these.

That concerns the proposal to amend the Airport and Airways Improvement Act of 1982 to permit FAA to exceed the amount of trust fund expenditures allowed in current law for operations.

The airlines believe that basic structural changes in the authorizing legislation as would be required by the Administration's proposal should be deferred until the comprehensive examination that Congress will undertake when it considers airport and airway legislation.

Secondly, of course, the administration's request eliminates the creating of interest on trust fund balances and we would oppose that also.

I believe Congressman Carr earlier during these proceedings had raised questions about the Commerce Department funding from the trust fund for their portion of next RAD and that too clearly seems to us to be an inappropriate use of those funds.

The reauthorization process for the Airport and Airways Development Act will provide an opportunity to explore new ways of funding and operating the National Airspace System and to ensure that aviation programs in the future are freed from the inequities that have existed during the past 15 years.

ATA, as you know, is now examining whether a federal corporation would be a more efficient and financially sound way to operate, maintain and develop the air traffic control system. The possible benefits of funding airport development through a federal corporation are also being explored.

By removing the airport and airway programs from the annual federal budget battles and the constraints of certain personnel procurement and financial policies under which FAA must currently operate the NAS plan airport improvements and the growth of the air traffic control system may well be more expeditiously and efficiently accomplished.

Thank you, Mr. Chairman. This concludes my summary. I am prepared to answer any questions you may have.

[The prepared statement of Mr. J. Roger Fleming follows:]

FISCAL YEAR 1987 BUDGET REQUEST OF THE FEDERAL AVIATION ADMINISTRATION

STATEMENT BEFORE
THE SUBCOMMITTEE ON TRANSPORTATION,
HOUSE APPROPRIATIONS COMMITTEE

AIR TRANSPORT ASSOCIATION OF AMERICA

April 23, 1986

Statement of
Air Transport Association of America
Before the Subcommittee on Transportation
House Appropriations Committee
April 23, 1986

FISCAL YEAR 1987 BUDGET REQUEST OF THE FEDERAL AVIATION ADMINISTRATION

Mr. Chairman, and members of the Subcommittee, I am J. Roger Fleming, Senior Vice President, Technical Services, Air Transport Association of America (ATA). ATA is pleased to appear before you today on behalf of our members to address the Administration's Fiscal Year 1987 budget request for FAA. It is our strong view that the Administration's request is simply inadequate to meet the clearly established airport and airway needs of this country. Furthermore, the budget request ignores the fact that more than adequate resources are available in the user-funded Aviation Trust Fund which was created for the primary purpose of maintaining and enhancing the safety and capacity of our nation's airport and airway system. ATA urges appropriation for the various Trust Fund programs at levels consistent with current law.

Mr. Chairman, before addressing our views about the Administration's Fiscal Year 1987 budget request, I would like to express our gratitude to you, other members of the subcommittee, and the House Appropriations Committee for its leadership in conjunction with efforts to provide an

$85 million urgent supplemental appropriation to the FAA in the current fiscal year. These funds are necessary and should be made available at the earliest possible date to ensure that the air traffic control system will continue to be operated and maintained in as safe and efficient a manner as possible. This should be done, without shortchanging other important airport and airway programs. We also share the view of the Appropriations Committee that a portion of these funds are important to maintain progress toward the achievement of air traffic controller recruitment and training target levels set by the Congress for this year.

Turning now to the FAA budget request for Fiscal Year 1987, aviation faces the distressing combination of an enormous Trust Fund surplus while there are substantial unmet system development and operating needs. The uncommitted Trust Fund surplus, now estimated at over $3.3 billion, is growing faster than ever before in its history, and is expected to reach $4.3 billion by October of 1986. Review of FAA's most recent edition of the NAS Plan issued in 1985, compared to the original NAS Plan published in 1981, shows that important aviation safety and capacity improvements have already been delayed, notwithstanding the fact that expenditures for such improvements are entirely supported by taxes paid exclusively by users of the aviation system. As you know, increasing concern is being expressed by members of Congress and others about this distressing and intolerable situation.

Now, in addition, damaging cuts in Facilities and Equipment (F & E), Research, Engineering and Development (R, E & D) and Airport Improvement Program (AIP) spending are requested by the Administration for Fiscal Year 1987. The Administration's budget request for FAA is predicated on total budget targets, established in Gramm-Rudman-Hollings, which bear little relationship to Aviation Trust Fund resources or what is required to ensure a safe and efficient aviation system. Enactment of the Administration's Fiscal Year 1987 budget request would compromise air traffic control system modernization and airport capacity improvements, impeding the future vitality and growth of air transportation.

The impact of Fiscal Year 1987 budget cuts under the Administration's budget request would be extremely serious. Since 1982, program expenditures have fallen short of authorized levels by about $1.5 billion. The Administration's budget request would result in program cuts of another $700 million, bringing the total shortfall to $2.2 billion over the 5-year legislation. While recommending that user-tax supported programs be funded 30 percent below their authorized levels, the Administration proposes to amend the authorizing statute to permit the funding of $2.1 billion of FAA Operation and Maintenance costs from the Trust Fund.

ATA strongly opposes this proposal. The funding of FAA Operations and Maintenance from the Trust Fund at the expense of the programs on which the future of our aviation system rely is unacceptable. Trust Fund revenues will exceed $4 billion in Fiscal Year 1987, more than enough to fund all Trust Fund programs to full authorization levels. The need is clearly identified, and the users are providing the resources to meet the need. ATA urges this committee to appropriate the full authorized program levels.

Facilities and Equipment/National Airspace System Plan

The authorization level for the Facilities and Equipment account for Fiscal Year 1987 is $1.164 billion. The Administration request of $825 million is $339 million, or 30 percent, less than the authorization level. The Administration's request is clearly inadequate, and we urge appropriation of the full authorization amount. Under the budget request, progress on the NAS Plan would be slowed. Last year, FAA was able to Protect major NAS Plan projects by delaying other supporting projects which have less impact on system safety and capacity. This short term expedient is no longer a viable option.

During Fiscal Year 1986 appropriations hearings, FAA indicated that if critical NAS Plan programs were to be carried out on schedule, the cumulative funding deficiencies would have to be resolved,, or slippages in major program schedules were bound to occur. And now, Mr. Chairman, the FAA Administrator has publicly stated that the requested Fiscal Year 1987 budget levels will result in the abandonment of the "full funding" approach to FAA budgeting for certain projects, and the inevitable deferral into the future of major NAS Plan components.

The abandonment of full funding is detrimental to the viability of the NAS Plan. As you know, under the full funding approach, the total funding necessary to procure, install and commission a specific F&E item is included in the appropriation that is provided in the first year. Thus, once an item is funded in a particular fiscal year, additional appropriations are not required to complete the item and have it available in the aviation system on a timely and cost-effective basis.

The Administration has stated that $91.2 million of Fiscal Year 1987 funds previously designated to fully fund NAS Plan-related F & E items will have to be used for support of other NAS Plan projects. The items which are not fully funded will require additional appropriations in future years for completion. Future dollar needs are thereby raised, and the total cost of the NAS Plan is likely to increase. Lack of full funding can freeze a program in mid-stream, with resultant delay and waste. The anticipated benefits of NAS Plan implementation, such as reduced maintenance and personnel requirements, are thereby delayed and distorted, rendering obsolete planned maintenance schedules and personnel objectives which assumed the efficiency benefits of NAS Plan implementation.

The abandonment of full funding can only have negative consequences for important NAS Plan programs. For example, FAA plans to remove from full funding status in Fiscal Year 1987 such important safety programs as Terminal Doppler Weather Radar (TDWR) and Central Weather Processing (CWP), both important for severe weather detection and alert, including low altitude wind shear hazards.

It is widely recognized that the national airspace system must be modernized for it to meet the operational and capacity challenges of the future. We supported the NAS Plan when it was announced by FAA, and we supported the establishment of tax and spending levels adequate to implement it on a timely basis. We continue to support NAS modernization. However, we grow increasingly concerned about potential slippages in the implementation of major components without which safety, efficiency and productivity gains (for both operators and the government) will be delayed. If such major components do slip, as the Fiscal Year 1987 funding request envisions, the financial and technical viability of the NAS Plan, under the present method of funding and management, is clearly in question.

A major element in the NAS Plan that warrants comment is the FAA request for $72.1 million to continue the Design Competition Phase (DCP) for the Advanced Automation System (AAS), and for architectural engineering and design of field facilities to accept the Initial Sector Suite System -- the first major hardware acquisition under this program. The airlines strongly support the objectives of the AAS: to increase ATC system safety and capacity, to improve productivity of the controller workforce, and to increase economy of operation for system users. Automation improvements to the current system are sorely needed to cope with growing demand for ATC system services, to reduce delays currently being experienced in the system, to accommodate future growth and to further improve the level of safety accorded the travelling public.

FAA's AAS acquisition strategy has been criticized by the General Accounting Office (GAO). GAO recommends a development and testing phase before making an AAS production decision. GAO also notes that House Joint Resolution 465 on Further Continuing Appropriations for Fiscal Year 1986 directed FAA to complete an updated AAS cost-benefit analysis to be delivered to the Congress in early 1987. GAO contends that this study will enable Congress to make a better informed funding decision on AAS hardware production in connection with FAA's 1988 budget request.

We support AAS program objectives, believe FAA has adequately provided for testing and control of risks in their acquisition strategy, and the ATA members support FAA's request for $72.1 million to continue the design competition phase in Fiscal Year 1987.

In addition to F & E items in support of the NAS Plan, F & E items are needed to enhance the capacity and reliability of the airport and airway system. Last year, ATA presented to this committee recommendations for F & E items, as well as airport projects, to enhance capacity at the so-called 22 Pacing Airports. Considerable progress has been made by FAA and airport operators in this industry-wide effort over the past year. Of the 124 projects recommended by ATA, 27 percent have been funded or commissioned, and another 16 percent have, upon further examination, been found to be not feasible for environmental reasons or not required at this time. Another 39.5 percent are supported by FAA, but funding has not yet been made available.

A major portion of these unfunded projects is represented by $2.5 million for runway visual ranges (RVRs), which are needed to substantially increase runway capability in adverse weather.

ATA has recommended that RVRs be installed as soon as possible at the following airports:

- Dallas/Ft. Worth (4),
- Chicago-O'Hare (1),
- Detroit (2),
- Ft. Lauderdale (1),
- Kansas City (1),
- St. Louis (1),
- Miami (3),
- Minneapolis-St. Paul (3), and
- Pittsburgh (1).

Proven RVR systems are now in use and are available. ATA has urged FAA to proceed with the funding, acquisition and installation of currently available RVR equipment so that the benefits to the system can be realized as soon as possible.

The primary area of disagreement affecting the remaining 17.5 percent of the ATA-recommended projects involves the need for eight CAT I instrument landing systems (ILS), which would cost approximately $5.2 million. ATA has strongly recommended that ILS equipment be installed at the following locations:

Boston	Runway 4L
Boston	Runway 22R
Dallas/Ft. Worth	Runway 35L
Dallas/Ft. Worth	Runway 36R
Newark	Runway 11
Newark	Runway 22R
Philadelphia	Runway 9L
San Francisco	Runway 10L

The FAA Administrator has recently stated that he is committed to implementation of the agency's Microwave Landing System (MLS) Plan and that no purchases of ILS equipment will be made to equip runways not now provided with precision approach capability (i.e., ILS or MLS). FAA's position is that new precision approach capability, except for upgrading runways already equipped with older ILS, will be provided by MLS.

FAA's 1987 budget request includes funds to establish 56 MLS facilities. But MLS ground station development has been delayed due to technical problems. In addition, airborne equipment meeting airline specifications -- certificated for full capability operation (curved or segmented approaches to Category II or III minimums) -- remains many years in the future.

There is a demonstrated need for an additional number of Category I ILS installations. Eight locations were identified above, in connection with the ATA 22 Pacing Airport study. The ATA study is currently being expanded to cover another 18 airports where traffic is growing rapidly and this expanded study will identify additional ILS requirements.

Instrument landing systems enhance safety and improve capacity by providing electronic glide path guidance under all weather conditions. The airlines believe that investment in the additional ILS is fully justified, even if the new installations are supplanted 10 years later by MLS.

Research, Engineering and Development

The Administration has requested an appropriation of $134 million for R, E & D in Fiscal Year 1987. This request is $59 million short of the authorized level of $193 million. That shortfall for one year's funding is nearly as much as the cumulative shortfall of $76 million which has occurred in Fiscal Years 1983 through 1986. We urge the appropriation of the full authorized amount for R, E & D in Fiscal Year 1987.

Aviation R, E & D is also critical to the future success of airspace modernization. Underfunding R, E & D will detrimentally affect NAS Plan implementation schedules and other FAA programs for increasing airspace and airport capacity, since approximately 90 percent of the R, E & D budget contributes to supporting NAS Plan implementation. For example, without the essential refinement in automation technology for automated en route air traffic control (AERA), terminal automation, and data link communications, the full benefit of the Advanced Automation System can never be realized. This phase of NAS modernization is of upmost importance if the aviation system capability is to expand to meet growing air transportation demands.

The constrained Fiscal Year 1987 R, E & D budget request does not include sufficient funds needed to complete important safety research on FAA's Traffic Alert and Collision Avoidance System (TCAS). Although $4.3 million is included in the

R, E & D request to support TCAS development, this funding level is inadequate to complete a timely operational evaluation of limited horizontal maneuvers as an add-on capability to the TCAS II equipment configuration. Airlines need in-service evaluation of this expanded TCAS II capability in conjunction with the Limited Implementation Program (scheduled for late 1986-88), so that sound decisions can be made on the most appropriate TCAS equipment configuration for installation in airline aircraft. An additional $9 million in R, E & D funding is needed for this purpose.

Another extremely important area of R, E & D concern is the critical work on explosives detection conducted in the FAA Aviation Safety Program. A number of promising techniques have been identified that could provide the urgently needed capabilities to effectively and efficiently detect explosives in the aviation environment. This important work must not be delayed by lack of funds, and, in fact, must be expedited and implemented as rapidly as possible.

Lastly, critical R, E & D programs designed to enhance existing airport capacity are facing curtailment for lack of funds. Specifically, these vital programs would allow simultaneous instrument approaches to more closely spaced parallel runways; allow simultaneous instrument approaches to converging runways; and narrow the required minimum separation of landing aircraft from the current three miles to two and one-half miles. Adoption of these procedures requires feasibility analysis and computer simulation, as well as developing specifications for more precise radars. Airport capacity is a finite commodity and efforts to make the most efficient use of limited runways deserve high priority.

Airport Improvement Program

The Administration has requested $712 million for AIP in Fiscal Year 1987, $305 million less than the authorized level of $1.017 billion. This is the smallest request advanced for airport grants in recent years, and is opposed by ATA. We urge the appropriation of the full authorized amount for AIP in Fiscal Year 1987.

The need for airport capacity enhancement and expansion continues to be indispensable to the future of the aviation system. The FAA's National Plan of Integrated Airport Systems (NPIAS) forecasts airport development needs of $12 billion through the year 1993, over $6 billion of which will be needed to enhance the capacity of the system. All segments of the aviation industry have joined with FAA, state governments and airport operators in coordinated efforts to enhance and expand airport capacity, and create new facilities where needed. The Airport Improvement Program is an integral part of those efforts, currently providing one out of every three dollars of airport capital financing.

The budget request will virtually destroy FAA's ability to make meaningful discretionary grants to airports where safety and capacity projects require more than can be funded solely by entitlement allocations.

Operations and Maintenance

The Administration's budget request for Fiscal Year 1987 would provide O & M Funds for needed safety and security services, and to operate the air traffic control system. ATA agrees that maintaining the operational capability of the air traffic control system is essential. However, certain aspects of the Administration's budget request in this regard are troublesome to us.

Fundamentally, the Administration seeks to fund the operation of the air traffic control system, but underfunds the capital and related research programs which provide for the future safety and capability of the system. The inevitable result will be enormous difficulties in the future as modernization of the airspace and enhancement of airport facilities are delayed or denied. As we indicated before, users are providing resources through the Trust Fund adequate to pay for both current operation needs and future development. We urge this committee to fully fund both of these essential aspects of FAA's responsibilities.

Meeting the current funding needs identified by FAA does not automatically ensure that the air traffic control system will be able to accommodate the traffic demands placed on it. ATA continues to be concerned about the ability of the air traffic control system to meet those demands, unless certain identified problems are acted upon with the greatest sense of urgency. Since most of these problems are associated with inadequate manning of the Air Traffic System, we believe that the primary focus should be on manpower requirements. This should include the hiring and training programs to bring all ATC facilities to required staffing and performance levels, and the implementation of a more effective management planning process to define future resource requirements.

A number of personnel actions should be initiated or continued to accomplish these objectives, including the following:

- retention of retired annuitants,
- retention of eligible retirees,
- use of retired controllers on a part-time basis,
- use of contract instructors at individual centers,
- continuation of the cross-option plan to reassign radar experienced controllers from terminals to seven critical centers,
- hiring of former military controllers through age 40,

- reduction of failure rates at the FAA Academy and during the on-the-job-training cycles at individual facilities,
- acceleration of radar training through priority use of the Radar Training Facility (RTF) at the Oklahoma City Academy and use of the dynamic simulators at the Atlantic City Technical Center,
- acceleration of basic radar training at individual centers through greater use of the Dynamic Simulation Capability (DYSYM),
- an independent evaluation and review of the FAA regions and centers that have failed to achieve staffing goals to ensure that staffing efforts do not continue to falter.

Also of growing concern are air traffic control facility maintenance personnel levels. In Fiscal Year 1985, FAA received $756 million for facility maintenance. In Fiscal Year 1986, after Gramm-Rudman-Hollings cuts, $709 million was appropriated, well below the Fiscal Year 1985 level and, in our view, an inadequate level. The Administration's budget request for facility maintenance of $761 million will not adequately meet facility maintenance requirements. FAA's personnel target for facilities maintenance under the Fiscal Year 1987 request is 10,038, which is 628 less than the Fiscal Year 1985 level. Further, FAA has indicated that 55 percent of facility maintenance personnel are eligible to retire today. Immediate action to ensure adequate staffing levels now and for the future is urgently needed.

Trust Fund Issues

The Administration has come forward this year, as it did last year, with two controversial proposals that are inconsistent with Congressional intent, and which we strongly oppose. First, the Administration proposes to amend Sec. 506(c)(2) of the Airport and Airways Improvement Act of 1982 to permit FAA to exceed the amount of Trust Fund expenditures allowed in current law for operations. The airlines believe that basic structural changes in the authorizing legislation, as would be required by the Administration's proposal, should be deferred until the comprehensive examination that Congress will undertake when it considers airport and airway legislation.

Secondly, the Administration's budget request eliminates the crediting of interest on Trust Fund balances. We hope the Congress will insure that interest is credited to the Fund, as it has traditionally and properly been done in the past.

The reauthorization process will provide an opportunity to explore new ways of funding and operating the national airspace system, and to ensure that aviation programs in the future are freed from the inequities that have existed during the past

15 years. ATA is now examining whether a federal corporation would be a more efficient and financially sound way to operate, maintain and develop the air traffic control system. The possible benefits of funding airport development through a federal corporation are also being explored. By removing the airport and airway programs from the annual federal budget battles and the constraints of certain personnel, procurement and financial policies, under which the FAA must currently operate, the NAS Plan, airport improvements and the growth of the air traffic control system may well be more expeditiously and efficiently accomplished.

Conclusion

Mr. Chairman, the Administration's Fiscal Year 1987 budget request for FAA ignores the fundamental fact that users are paying more than enough in dedicated taxes to support the authorized, and undeniably needed, Trust Fund program levels. Congress should appropriate the full authorized program levels, as follows:

- Facilities and Equipment -- $1.164 billion;
- Research, Engineering and Development -- $193 million; and,
- Airport Improvement Program -- $1.017 billion.

The operations and maintenance needs of the system must also be met, especially for controller and facility maintenance staffing. Current needs should not be met by shortchanging essential investment in the future of the aviation system. Trust Fund resources are available to meet all these needs, and we urge this committee to make those resources available for their intended purposes.

Mr. Chairman, that completes the ATA statement. I would be pleased to respond to any of your questions.

Mr. **Lehman**. Thank you very much for summarizing your statement so well.

You have listened to earlier discussions regarding FAA's management of the funds provided, the inability to get these controllers onboard and the procurement problems and so forth. Would you care to make a statement of your views on this management and administrative problem?

Mr. **Fleming**. Mr. Chairman, it is very clear the FAA has management deficiencies. I suppose a similar charge could be leveled at many large organizations, be they private or government. Shortly after Admiral Engen became FAA Administrator, we visited with him to express our concern about staffing levels.

Now, that is a problem that he inherited. He didn't create it. It has been extremely distressing to the airline operators to see the deficiencies which you have heard so much about and which you have commented about yourself.

I do think that FAA now has in place a number of programs which will redress the imbalance between terminal controller work force and center work force and which will speed up the flow of trainees through the developmental program and which we think will redress the current problems.

We, too, are as distressed as Chairman Mineta at the strange arithmetic which resulted in the addition of 1,000 more controllers to the then existing controller work force level which was approximately 14,000 rather than the 14,300 which the Congress intended.

But given that 300 person work force shortage which will apparently remain, FAA is making progress. It just is very, very late.

Mr. **Lehman**. Mr. Coughlin.

Mr. **Coughlin**. Thank you, Mr. Chairman.

I just want to go back very briefly to the areas in which we had had some previous testimony from GAO and other organizations. Perhaps we should not be appropriating some of the F&E money for the spending on the terminal Doppler, as Chairman Mineta indicated. I take it you agree with his analysis.

Mr. **Fleming**. Mr. Coughlin, I am not a radar expert, but I thought when I first heard about the NEXRAD differentiation to the terminal that was a rare, curious development.

Mr. Mineta or Mr. Brown pointed out that the strategy for the en route radar is completely different than it is from the terminal radar so they propose to modify the en route radar and put it at 15 terminals.

That means they will have to then go back and remodify those equipments. Again, without benefit of technical expertise, it seems a more sensible approach to us to use the NEXRAD radars for the purpose for which they were designed and suffer the additional time increment that will be required to complete development of the terminal Doppler weather radar and put that in place when it is brought to technical preparedness in as expeditious a fashion as we can.

I understand fully the pressure to get terminal Doppler weather radar or some NEXRAD substitute on site as quickly as possible. We all are reminded of some recent accidents which involved wind sheer and we are also painfully aware that the President's airplane, for example, very nearly was involved in a severe wind sheer encounter at Andrews Air Force base not too many months ago.

Be that as it may, the NEXRAD radar is an en route radar.

Mr. COUGHLIN. The other question was the MLS. The GAO indicated software was not ready and to go and do another production lot might not be wise at this time. It also had some previous testimony that, from the ATA standpoint they were coming around to thinking that the ILS system as it has now been developed might be almost as good. Is that a correct statement?

Mr. FLEMING. If I may amplify, sir. There is no question that MLS offers potential long-term advantage. It will operate at some sites where instrument landing systems will not operate. It also offers potential for curved or segmented approaches whereas an ILS approach is always a straight in approach.

If you think about an area such as the New York area, for example, where you have at least three major airports and a whole satellite group of airports which sometimes conflict or compete for air space there can be some potential capacity advantage for the curved approach capability of MLS.

But you can't realize those advantages until you have a major proportion of the airplane fleet equipped to use that capability.

As I mentioned earlier, it is not going to be possible for us to get our airplanes modified for that capability until well into the next decade.

Therefore, from our point of view it becomes questionable as to whether there is a legitimate need for implementation of large numbers of ground stations right now. Those ground stations do not have or have not yet demonstrated capability to meet FAA's own stringent category three instrument approach specifications and we will need that for airline application.

Now, I don't wish to pretend for a moment that airlines are the only potential users of microwave landing systems. They are not.

There are other users that may be able to utilize MLS for straight-in capability and, in fact, there are some limited airline operations which can use them, too.

For example, Rocky Mountain and Aspin Airlines cannot get into some of those airports in Colorado using an ILS because the system won't work in the mountainous terrain, similarly in Alaska, but for the overall majority of the airline users we don't need those ground installations soon.

They could be postponed from our point of view. Ours is not the only point of view, of course, you need to consider.

Mr. COUGHLIN. Finally, you mentioned a Federal corporation for air traffic control implying this would remove this function from the budget. I am not sure that a Federal corporation would remove it from the budget necessarily. Why do you think a Federal corporation would not be subjected to budgetary review or Gramm-Rudman as all the rest of them are?

Mr. FLEMING. The comment about the Gramm-Rudman implications is very appropriate because my understanding of that legislation is that it would probably apply to a federal corporation, as well. Your question in that sense is very appropriate.

We are only in the preliminary stages still of investigating that possibility. The proposal which is based on a study performed by the National Academy of Public Administration for ATA will be reviewed at our Board of Directors' meeting on June 12 and subsequent to that meeting we will come forward with an association position recommending a federal corporation as a possible means to hopefully get the air traffic control system out from the annual problems associated with the budget battle and you rightly pointed out that that may not, in fact, come to pass without an exemption from Gramm-Rudman-Hollings and also to put the air traffic control system on a more business-like management basis and to free it from some of the difficult procurement and personnel policy procedures under which a government agency must work.

Mr. COUGHLIN. All I am saying is I am not sure a Federal corporation would free it from the budgetary process.

Mr. FLEMING. I understand. You are not alone in that view.

Mr. COUGHLIN. For what we pay, we are likely to review.

Thank you, Mr. Chairman.

Mr. LEHMAN. Thank you, Mr. Coughlin.

Thank you very much for being with us today, Mr. Fleming. I know your association has a number of concerns.

Mr. FLEMING. Thank you, Mr. Chairman.

WEDNESDAY, APRIL 23, 1986.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

WITNESSES

R. ADAMS COWLEY, NATIONAL STUDY CENTER FOR TRAUMA AND EMERGENCY MEDICAL SERVICES

HARRY TETER, JR., ATLANTIC EMERGENCY MEDICAL SERVICES COUNCIL

Mr. LEHMAN. Dr. Cowley, and Mr. Teter.

Mr. COWLEY. I wish to present to you for your tremendous support and so forth for our transportation and EMS programs. This was supposedly to have been presented to Congressman Lehman on the 19th of November, 1985. The award is savings lives. We were unable to present him at this large banquet we had in Baltimore because at the last minute he was unable to be at the program.

So we just wrapped it up and saved it for today.

Mr. LEHMAN. I have all kinds of plaques but I have never had one like this before. This one is much better than an ordinary plaque.

Mr. COWLEY. This will only take two minutes for me.

Mr. Chairman, Congressman Coughlin, our published statement is with you and I wanted to add one or two other things. We support the appropriations very much for the National Highway Traffic Safety Administration and we wish to thank you as the Chairman and your committee for this tremendous interest in emergency medicine which is basically saving lives.

We are grateful for the effort put in "Injury in America". That book there that Mr. Teter has and the National Study Center had a meeting about this with people from all over the country and the minutes and so forth are for you people.

The second thing I would like to talk about is a concern. That is the Committee's recommendation for 12 percent of the DOT funds 402 monies going to EMS. I think it needs more committee expression in regards to this or saying it over again because when you get at the state level many of the people aren't getting this 12 percent which you people have recommended but like in our state and many of the states, as you will hear from our colleague from Virginia, is around five percent.

To make this program really function, the money allocated should be spent at the state level and I think it is going into other things which aren't for saving lives and mandated by you people.

I also think that there should be a monitoring system at the Committee's level or some level nationally to see that these funds are not only given but also spent responsibly and managed responsibly.

Thank you.

[The prepared statement of Dr. R. Adams Cowley and Mr. Harry Teter, Jr., follows:]

STATEMENT OF

R ADAMS COWLEY, M.D.
Director of the Maryland Institute
for Emergency Medical Services Systems
Baltimore, Maryland

and

HARRY TETER, JR.
Director, Atlantic Emergency Medical
Services Council

before

HON. WILLIAM LEHMAN
Chairman
Subcommittee on Transportation
Committee on Appropriations
U.S. House of Representatives

April 23, 1986

Mr. Chairman and members of the subcommittee, on behalf of the Maryland Institute for Emergency Medical Services Systems and the Atlantic Emergency Medical Services Council we appreciate the opportunity to appear before you today. The Atlantic EMS Council is an organization dedicated to developing and coordinating emergency medical services systems in the seven-state, Mid-Atlantic region. The Maryland Institute for Emergency Medical Services Systems directs the statewide EMS system in Maryland and is the location of the Shocktrauma Center and the

National Study Center for Trauma and EMS. We always deem it a privilege and a pleasure to testify before the House tRansportation Appropriations Subcommittee because, under your leadership, Mr. Chairman, the subcommittee has maintained a particularly active role in supporting emergency medical services in the United States. For example, this subcommittee's and National Highway Traffic Safety Administration's influence is evident in state laws which now reflect stringent standards for ambulance licensure and certification for emergency technicians. As a result, a prehospital survival rate has improved dramatically.

Most recently, the publication of the report Injury In America, a report commissioned by this committee three years ago, witnesses your foresight and commitment for which we in the EMS community are grateful. This document confirms the enormity of the critical injury problem and sets a sound research agenda. It recognizes the need for trauma center designation, a concept strongly supported by the Atlantic EMS Council and MIEMSS. We endorse National Highway Traffic Safety Administration's efforts, under the capable administration of Diane Steed, to implement recommendations in the report and will do whatever we can to assist in this endeavor. Indeed the

National Study Center for Trauma and EMS recently hosted a meeting here in Washington of representatives from several leading organizations involved with trauma and EMS to discuss this report with Ms. Steed and work together to make this effort which began with you, Mr. Chairman, a success.

As we have stated over the years and as Injury in America reiterates, trauma-induced injury and death have become a national crisis. In 1985 there were over 90,000 deaths and over 2,000,000 disabling injuries due to accidents in this country. Resulting economic losses are calculated as being over $90,000,000,000. Of course the loss of human potential and life was staggering.

We know that prevention is the most effective weapon against traumatic injury and great strides are being realized in this area. Unfortunately progress in preventive measures has only slowed the increase in trauma incidence; it has not stopped injures, nor can we expect that it ever will. The demand for state-of-the-art emergency medical services continues to grow, as does the demand for systems to deliver these services. Because the "systems approach" to EMS delivery is national in scope, it requires and deserves the continued support of Congress and the Department of Transportaion. Only then can we ensure interstate care, increase our knowledge through a sound data base and correspondinly provide the best possible services to all Americans.

INJURY IN AMERICA: MEETING SUMMARY

L'Enfant Plaza Hotel
Washington, D.C.
Friday, February 28, 1986

WELCOME/INTRODUCTIONS

The meeting was opened with a welcome by Dr. Cowley at approximately 10:10 a.m. Introductions were made and a list of participants is attached to this meeting summary.

OPENING REMARKS

Dr. Cowley: This meeting is being held at the request of Diane Steed to provide a forum for EMS/trauma leaders to discuss the recent study, "Injury in America", and to develop a list of projects that would fulfill the recommendations outlined in this book.

This meeting is also being held at this time because Congress has appropriated 10 million dollars (through the efforts of Congressman William Lehman of Florida) to implement the recommendations outlined in this study. In 1983 Congress commissioned a study to follow—up on the now famous 1966 white paper, "Accidents: The Neglected Disease of Modern Society". With this recent appropriation, Diane will be responsible for administering the implementation of the Study's recommendations (NHTSA will be allocated $5 million and the Center for Disease Control will receive $5 million).

I found "Injury in America" to be a very interesting book. I was on the Committee that wrote the now famous 1966 white paper-"Accidents: The Neglected Disease of Modern Society", and I was amazed with the similarly of these two books. I found the Injury in America book to contain some good ideas and some deficiencies. As we discuss the book, I hope everyone will feel free to express their opinion. In fact I want everyone to have about 10 minutes to give their personal viewpoint. Then this afternoon we can spend the time in developing recommendations for Diane.

Harry Teter: I think that the challenge we have is to look at the most in-depth report we have had on EMS and trauma, before us in sometime. I also think that we are very fortunate that we have Diane Steed as head of NHTSA because she has always displayed a great interest in emergency medicine. She has been a fighter for

Lehman

EMS/trauma and I think we owe her our best thoughts today on how she can best implement this program. There are indications that Congressman L~~a~~yman would like to see money allocated for this effort over the next several years but this will not happen unless the initial projects are meaningful. I think that today's result can be extremely meaningful, not only for impacting the expenditure of present monies but in the hearings that Diane goes into and that we will go into later on in support of the new NHTSA Budget for 1987.

Diane Steed: Let me first say, welcome to all of you. I want to second what Harry had to say about this meeting being a very important one and I hope a very productive one. We have an opportunity and one that I don't want to waste.

A couple of years ago, we sat down with a similar group of EMS experts around the country and talked about the problems in EMS and what could we do as a government agency with our programs to help solve or address some of those problems. It was a very productive meeting and it was one of the few times during my tenure as either Deputy or Administrator that I could spend a good part of one day listening to experts in your field. We are not the experts in this area and we really need your help. I think the thing that really impressed me about that meeting was that there was a unanimous agreement that one of the biggest problems within the EMS area was getting the public to understand EMS, what kind of EMS services they have in their community, how they might improve it, whether they needed to, and how do they use it most effectively.

We have tried over the past couple of years to address some of our programs to that particular issue. We have a special emergency medical public service announcement program, one of about five round the country that is looking at how do we get that word out to the public a little better. This was a special program that was given to us by the Congress and those wrap up about September. But, I think the important point is that we now have this opportunity with $10 million to address some of the Injury in America issues. So, I will be very interested to hear what this group thinks are the highest priority needs that we might use some of this money to address. I am sure someone will talk to you a little about how that money is split out and that there are two or three hard and fast rules about how we spend that money, and how it flows. But the rest of it really is pretty much an individual decision project by project, area by area, as we go through it. There is some money (not more than $2 millions) to be spent on administrative kinds of things to run this program and the rest of this money is available for project research. You should understand that while the program will be run through CDC, we retain a large role in determining how those monies will be spent, selecting the projects and setting some of the priorities. So that is really my purpose in being here and again, I really thank you because you are the experts in the field. I am just tickled that you would take the time out of your busy schedule to come and just help us puzzle through this. I think it is terribly important.

ORGANIZATIONAL COMMENTS

John Sigafoos (NAEMT'S): Primarily, in response to this report, I think there are several areas that are really important. One is to look at the distribution or mechanism of delivery of the free hospital care system to a particular area in the country understanding the fact that there are limits on what resources are available in different areas of the country. What is the appropriate training of EMT relative to trauma care? Is it properly identified in the DOT curricula? As far as the initial training component, can we deal with it in additional clinical continuing educational types of programs. Is the initial educational program adequate enough for nurses or does it need to be in the areas of additional training, and what about training physicians? Most of us I think, agree that the graduates coming out of the initial educational programs are inadequately prepared to deal with the trauma situation and there needs to be additional training. What that is, I don't think anybody can adequately define.

The other area that probably is of major concern to the EMT is the rapid turnover of the personnel and does that have an effect on the care that they deliver in the free hospital setting. The average EMT in this country exists for 3 to 5 years. With that rapid turnover rate, a lot of time and a lot of dollars is spent in training an individual to lose them in 3 to 5 years. Is there anything we can do to slow down that turnover rate or do we have to recognize the fact that maybe this is the lifespan of the EMT? If so, should we go on with some other types of educational program and how do we retrain EMTs so that they can get employable positions?

The primary points that I would like to make relative to the report - the delivery system, the mechanism of delivery - is it appropriate for the area of the country? The initial training of the EMTs - is it appropriate with the DOT Curricula - what fragments of the Curricula can be utilized for initial training? For instance, some people say there is 32 different levels of EMT in the country. How do we mold this character if we are going to focus strictly on trauma and the turnover rate?

Regarding the turnover rate, you must recognize the fact that there are 4,000 plus EMTs in the country, approximately 62% are volunteers. The standard should be the same for the EMT regardless whether they are paid or volunteer. The question needing to be addressed is the mechanism we utilize to train them appropriately? Are there other training tools we can utilize versus the typical didactic class and lab session? I think that is one area we really need to look at if we go into rural areas. If you look at trauma care, the metropolitan areas usually have the concentration of dollars for trauma care but the swoop and scoop approach which works in the metropolitan area cannot work in a rural area. If I have got an individual in the back of my vehicle for 20 to 30 minutes, I have a significant amount of care that has to be provided by an EMT and often the thoughts have been that an EMT in the rural area has to be a better EMT than the one that is in the metropolitan area.

Dr. Krentz (ACEP): Speaking as an emergency physician, I found the book exciting because it addressed some things that our organization has been thinking about that have been problematic. I think the book presents a concentration of some of the clinical aspects - some of the preventative aspects in trauma care, and some of the vital mechanics of injuries that for our scientific knowledge we need to pursue and we simply haven't had the opportunity to do this sort on a concentrated basis. Recognizing that the reimbursement scenario has changed significantly both from the point of view of reimbursement for medical care and the point of view of funding of systems, the old and puritanical days have certainly gone for good. I don't think it is possible to do things simply because we think that they are going to make a difference. Actually we have got to know the outcome data that demonstrates what we are doing will make a difference. Our organization is particularly interested in working in pre-hospital care. I am not sure that a lot of things that we are training paramedics to do have any effect whatsoever on the outcome of patient care. We need to know what makes a difference, so in this perspective we are very interested in some "bonafide" outcome data. I think we have the same concern that NAMT addressed relative to the need to take a look at delivery systems. Are the systems that we are currently using really making a difference? The other thing that we found encouraging about this book which has been a concern to our organization for the last several years, is that we have recognized that since the changeover to flat-ground funding, and as a result, there seems to be increasing fragmentation of the direction of EMS. It is good to see NHTSA taking a lead role.

We are also involved in another project with NHTSA-the ASTM Committee. We would be interested in seeing how those two projects fit together because there is a lot of discussion going on in the various task groups and work groups in terms of the development of national standards. Some of those standards relate directly to the kind of research described in this book.

Mr. Kellow (ACEP): The only thing I will add is that I see a two prong approach which is alluded to in the book and it is the first time I have ever seen it in print. EMS has tended to follow technological developments and we have entire cadres of individuals trained around new products. How many of those individual types have been created because of a new technology? So the technology development has outstripped researchers' capabilities to keep up with the industry, leaving medical research holding the bag - knowing it will take years to validate the effectiveness of these products. So how do you hold industry's hands to the fire to validate the efficacy of their products before they penetrate the market? I don't see medical research keeping up with the pace unless those industries are held accountable for their own products. As a last comment, perhaps the way we conduct medical research especially as it applies to EMS is going to have to be done differently. There is going to have to be an acceptable way to conduct research that is much more practical than what we have done.

Paul Anderson (NASEMSD): In the last two weeks, we have conducted three conference calls and all the State EMS offices were given the opportunity to participate in listing the trauma issues. We have also conducted a written survey to provide an opportunity for them to specifically comment. A number of states indicated that the problems have been studied enough and what is needed now is implementation. We think we know what we need to do. Some states suggested just giving $200,000 to each of the 50 states to implement trauma systems, trauma centers, etc. Two states said that they needed money for a communications system. Another state suggested to use the $200,000 per state to develop trauma centers, and particularly equipment on a 50/50 basis.

I personally think there were three major areas that the comments do fit into. The one that was most often mentioned is the proposal to develop a national commission to accredit trauma centers and on a written survey, 73% of the states said they strongly supported this.

As far as studies, the recommendations included doing clinical audits of selected trauma centers to review performance as to what makes the difference. Another recommendation involved helicopters versus ground transport. There needs to be studies that give a better indication to the field people when they should make a decision to call for a helicopter versus using ground transport. There were a number of states that said they thought some of this money should go for trauma registries and injury surveillance systems. In terms of training, there were two major areas. One area was that the BLS people needed trauma skills training and that it wasn't practical to add more to the 110 hour EMT courses but this should be done on a continued education basis. The next recommendation for training was to improve the EMT's training skills in rural areas. Nurses also need a national ATLS course.

Larry Jordan (NASEMSD): I would just add one thing - that we share a sense of excitement that the Injury in America funding effort gives us a focus now at the national and at the state level. It makes it a little bit easier for us at the administrative level to deal with the politics of the situation. To have this emphasis on the epidemiological involvement, I think is going to help us in selling these programs at the state level and working towards a self-sufficiency that is just going to have to be there. And, we all know the $8 million isn't going to go very far. So we have got to work towards the self-sufficiency, and I think that there may be some need to focus on systems development here as opposed to medical research. I think the medical aspects are certainly an inherent part of what this book is saying and have got to be done but I think that it is quite a ways down the road. Regarding trauma center standards, we must focus our efforts in trying to get us all the same program to work from. This would be a significant step for us. There are so many issues we can focus on to help with how we are going to maintain trauma care on a self-sufficient basis on a local level and this should be given some priority.

Carl Almonds (NSC): Trauma is not recognized as a national problem. Everybody has worked at this issue to some extent in their own fashion. The second issue is quality control and quality care and that includes the research issue. The third issue gets into funding because I know that all of us have the same problem with money and that goes back to issue 1. I think you have to get a recognition program and it has got to be national, it has got to be highly identifiable, and it has got to be highly supportive. How you spend your money, this particular type of money you've got now is not for me to say. I am not that kind of expert but I think we've got to look at those issues and then we've got to look at how to take care of the patient in a more satisfactory way. How to do a better job. Our emergency rooms are totally inadequate; they are not identifiable. The ICU needs tremendous education and research on each patient to come up with the data necessary to do the job. Rehabilitation is nearly non-existent, and it may be one of the most important parts of the program. But most institutions are not prepared for rehabilitation, they are not financed for it, and they are not trained for it. So, I think we have major problems to look at.

Dr. Hering (ACS): I think that this book is a magnificent piece of work and that the founding fathers of accidental death and disability must be spinning in their graves with pure joy. I couldn't begin to say anything that would contribute more to the whole subject than what is found in this book. I read it once, I read it again and I read it for the third time in sections and I became actually astounded that some of the problems are already solved and the way they are addressed.

George Watkins (ATS): I took somewhat of a different approach I guess than everybody here, because I took the book and showed it to three people: my wife who is in education, and two entrepreneurs who knew a lot about money. One has zero visibility nationally and was able to make a lot of behind the scenes comments. One has great visibility and no knowledge of medicine. The other has high visibility, intermittent knowledge of medicine both from the university and non-profit/and corporate side.

Tools is the first subject I want to address. Is there a visible set piece under attack? Do we have a focus? What approaches are open and what effect should we have? The tools that we have are inspite of what is said. There are a very few dollars available and with those dollars we must make the public and its representatives truly aware of the problem. If you think they are aware of the problem, you're wrong. Nobody's aware of the problem. Why - a number of reasons. First, people who are older have the money, are more worried about cancer and heart disease, have already passed through a bit of the trauma period and are still around. People who have been traumatized either have departed or are in their minds debilitated. So under tools, the most important thing we must do with the money I think is to make the public and its representatives truly aware of what the cost is. The second thing is to develop a set piece. The third thing is somewhat different - is there a focus that we should have then once we have designed our set piece? Well we can total up what has been said. Do we certify trauma centers , do we have required registries, do we go to the ER in the hospitals? I have written down all those things. The fact is that with the limited amount of dollars that's available for this effort, our total focus should be on the awareness by the general public of the cost of trauma. What are the approaches to do that? Well, you can look at it many ways, you can go after the elderly who never think they are injured and show them how much monies is really spent. Once you start spending on an elderly person with a traumatic injury, they never recover. They keep going downhill. We could take a group and follow it long term. You can go to big bucks cost, follow every bill in the country that's over $100,000 to $200,000 on through for a period of time. We could look at an organized central system, one or two demonstration unit versus a more peripheral type approach where a number of trauma units are comparing them in just two or three areas of the country. We do not have enough money for any of that in the $10 million. We then are left with one final thing and our effect has to be public support at the level of direct representatives. At this particular time, it must be something where when we have our data, we can show that dollars will be reduced. I am a scientific surgeon, and I hate talking like this. My views come from talking with people who make money and spend money in America.

Don Gann (ACS): I am at a disadvantage because I am one of the authors of this book so I don't like to find fault. The focus of Injury in America is problem oriented and in the Trunkey article in Scientific America on trauma, he focused on the three basic causes of trauma deaths. Nearly half of the trauma deaths occurred at the scene and within a matter of minutes. It is very clear that there is no approach whether it is transportation systems, trauma centers or what have you that can deal with those deaths and prevent them. The only thing that can be done is to prevent the injury from occurring in the first place. The Injury in America committee discussed whether we knew enough to simply to ahead and ask for implementation to prevent those injury right now and we concluded that we knew something but we did not know enough. That's where this report is coming from.

The other way that people die continue to be the things we can handle if the patients can get to trauma centers fast enough. And finally, there is this big latent series of deaths from overwhelming sepsis which is an area that we don't understand at the present time.

I would therefore focus my own recommendations on two areas. First of all, I believe that there needs to be a major attack in the prevention area and I agree that the initial step in that attack has to be in the public education area and that it should command our major attention. I would like to put in a plug for a major recommendation of this book - demonstration centers. I believe that rather than setting arbitrary standards and hoping that they come out right, that it is probably time to prepare alternative standards and see what maybe makes the difference. I believe we are in a position to do this.

I don't know how many other people are well informed about what is going on in the CDC side; I was brought up-to-date on that yesterday. I gather that the $2 million that has been allocated for administration is in the process of being spent. We didn't have to worry about that. But there is an implementation committee set up within CDC which has formed now the embryonic Center for Injury Control with a small "c" if you will. It was felt within CDC, that unless there was subsequent enabling legislation in the HHS funding to set up a Capital "c" center for injury control, they would be taking a big risk that the dollars would never get spent well. So they set up a small fund within the environmental health center. It is now working on approaches which I believe we might supply significant advice on, mainly how does one get a good mechanism established for grants and contracts.

Ms. Larson (ENA): The Emergency Nurses Association has asked the question what is it that we do or can do that does make a difference and out of that question also comes hand in hand with systems development is do we have systems and if we do have the systems that work, should we not study those systems to find out why they work and whether we can transplant portions of those systems to other areas. I think the whole question of systems development has to be working. In addition to that, we need more data about what is going on. The whole notion about surveillance systems is very important. It has to be looked at in terms of what we are going to do. We need to have more information to decide what's best and what does make a difference in the whole surveillance system. From the nursing perspective, nurses need special education for the care of trauma patients. And, this education has to include what occurs in the hospital at the time of injury until the patient is totally rehabilitated. I think we need a better understanding of the full mechanisms of injury. What is the potential in any injury mechanism once the occurrence or problem that gets into a lot of the medical research. We have to back up a bit and say that again focus has to start with systems development and where we are. I would have to concur that the public has to understand that trauma is a problem and I believe they do not understand the problem.

Joanne McKay (ENA): Yes, I think that one of the things I liked about the book is that it delineates the need for a collaborative approach to this problem. It is a national problem. It is not only a physician problem or a governmental problem, it's everybody's problem. The only way that we are going to get at the bottom of this is to work together on a governmental level, within associations, and through the cooperation of health care providers. I think that is why it is so crucial that the people who are here today were called together for such a meeting. There is definitely a need for and lack of people who are prepared to teach and research done this issue. The focus on epidemiology is a most critical piece as well. Looking at basic nursing education and advanced programs, epidemiology and injury have just not been included. These concepts have rarely been integrated in nursing programs. Within the past year, there is one graduate program in emergency nursing at the University of Texas at Houston that has in one of the required courses for the Masters' Program in Emergency Nursing.. The importance of epidemiology to emergency care, and specifically to emergency nursing, needs to be looked at. In relation to the previous mention of trauma centers, I am sure we are all aware that criteria vary from state to state and within the states as well. We therefore not only need statewide standards but also some nationally accepted norm.

George Reagle (NHTSA): It is a pleasure to introduce Mike Finkelstein, Administrator for Research. Mike, for obvious reasons, took a major interest in the Injury in America study which was done through the Department of Transportation. I thought it might be helpful for Mike to give an overview of what happened during the deliberations of the study and subsequent to that some discussion of the implementation of the study. Then everybody will have some firm foundation of where we have been and where we plan to go in the future.

Michael Finkelstein: My involvement in this is purely selfish. I've been with NHTSA for almost then years now, and I have spent most of it on motor vehicle safety issues. When I joined NHTSA there were five major motor vehicle crash testing and analysis. We're down to two. In the mid-70's, there were five or six major centers in the country that were involved in impact biomechanics. We're down to one and a half. Part of the problem is that NHTSA works through contracts. We fund very well defined contracts because there are short term problems we want to answer quickly. A more research oriented organization such as a Center for Injury Control might be better able to sustain research organizations around the country on a continuing basis.

The section of the report that I was most interested in was the review of government spending for trauma research. The report attempted to relate the magnitude of government spending to the magnitude of the problem. It showed the relatively small sum going into trauma research.

Three years ago, consideration was being given to increase NHTSA's trauma program. In reviewing the Federal budget, I discovered that the National Institute for Dental Research had a budget of approximately $100 million per year. That is three times NHTSA's research budget, and NHTSA was addressing a health problem of 45,000 people per year dying in automotive crashes. At that point, Congressman Lehman asked the National Academy of Sciences to convene a group of experts to review the Federal government's trauma research programs. They did just that and Congressman Lehman acted very quickly to establish an appropriation for a Center for Injury Control to carry out the recommendations of this NAS Committee. He also required that NHTSA must approve half the grants awarded. That was done to assure that our interest in injuries resulting from motor vehicle crashes are addressed.

Initially, many expected that the NAS Committee would recommend the establishment of a National Institute for Trauma Research in NIH. However, NIH did not want new institutes established. The NAS Committee believed that CDC's interest in application oriented research was appropriate. To date, CDC's enthusiasm about the CIC proves the NAS Committee correct.

Well, what is going on? Dr. Stuart Brown, the Director of the Epidemiology Division within the Center for Environmental Health, is heading the group at CDC that is organizing the new injury research program. A meeting was held on Valentine's Day between NHTSA and CDC to review the management of the program.

To review where we stand — there is $10 million appropriated for FY 1986; $2 million for salaries, overhead, start up costs,etc. and $8 million for research grants. Fifty percent of the $8 million ($4 million in grants) can only be awarded with NHTSA concurrance. Our concurrence is going to be given for grants that have a direct application to motor vehicle/traffic safety.

There are five major research areas that the NAS Committee cited in their report: surveillance and epidemiology, biomechanics, prevention, acute care and rehabilitation. NHTSA has an ongoing interest in the first four areas as they relate to motor vehicle and traffic safety.

At this stage, we plan that approximately 20-25% of the funds will support multi-disciplinary centers of excellence and the remained will support project funding.

The grant approval process envisioned now has two stages. First a peer review committee will evaluate every grant application. Second an internal review committee consisting of NHTSA and CDC staff will review those projects that are acceptable to the peer review committee in order to assure that an appropriate program balance is achieved.

It is critical to be award of the very tight schedule. If we want to award grants this fiscal year, (ending September 30,1986) we must begin soon. Realistically, grant applications must be received by early June and the peer review panel must be established within the next few months. The grant review process must be completed this summer or the entire process comes apart.

The most important issue at this stage is to assure that a large number of high quality grant applications are submitted. The "trauma research community" must first, invest its energy to make sure that qualified researchers learn of the existence of this new program and second, prepare and submit high quality grant applications. Within the next month, CDC will be issuing a formal call for grants in the Federal Register.

Mr. Larry Jordon: First I'm just going to say that everyone at this table represents a very substantial lobbying force. Sure we have to educate the person on the street, but we also educate our federal and state legislators and our own professionals; and those are probably the ones that we can manage. Educating the public is a major, major kind of task and I think we can begin with ourselves. But, on the problems we need data, we need that desperately. But its data that we can use to be effective in educating what the magnitude of the problem is in our respective areas.

George Reagle: Number one, there have been alot of issues dealt with today. We have discussed epidemiology, acute care issues but don't forget how this grant program will be operated. We think we can, within those five areas, come up with some dynamite types of research projects; and I emphasize the research part of that because that's what is identified as the need; not systems development, but research into what makes a difference. I heard about fifty percent of the comments today, dealing with structures and establishment of structures. This is where this money is supposed to go to as I understand it. So, be careful in terms of looking at your research proposals relative to this money, that they are research oriented and to the degree where you get into things like systems that you are comparing systems and not looking at establishing structures.

AFTERNOON SESSION:

Harry Teter: I think everybody applauds this excellent study and we are very grateful that it has been done. We also realize that the recommendations are really short and long term and that it's going to take a lot of money and alot of commitment if we are to implement this in its entirely. The question is why do we agree or what could we recommend to get it started in the most effective way? Mike Finkelstein said this morning that it's time we find out what works and what is fluff. How would you do that in the perimeters of this?

Dr. Krentz: One of the things that was said is the concept of demonstration perimeters. I don't know if that's what we're talking about or not.

John Sigafoos: I would be interested in seeing if there is any difference in the outcome between systems where paramedics are essentially trained to scoop and run, versus a system where they spend time doing procedures before transport.

Dr. Krentz: I want to follow up on some of these same points that Dr. Watkins made, which I felt were really pertinent comments on matters relative to the overlap on trauma care and the rest of EMS. I think that's an important focus to keep in mind, because I think that alot of times what has been put together for trauma care tends to overlap in things like CPR which has absolutely nothing to do with the care trauma in the field, and vice versa. The fact of the matter is how much money is being spent training pre-hospital providers to a thousand, fifteen hundred hours worth of training that may not really have any significance on the injured patient. In other words, if certain urban areas don't think it does and can show that, we can come back with something that says here's how we can save the American public alot of money. This may not be in your best interest.

Larry Jordon: I want to mention a project that I'm involved with. There are four state EMS directors and four Governor's Highway Safety directors that are working on a project to measure what impact EMS has on highway safety. What we are in effect seeing is the need for a trauma registry. There is alot of data being collected in the highway safety system through various accident reports. They are fairly uniform across the nation and one thing in particular that we are looking at is immediate projects that have some potential for playback. I would like to see a minimum data set agreed upon quite early in the process here. Then state directors in EMS can work towards implementing this data set.

George Watkins: What we do not have is real data about costs to put up to the public mind. What we need to convince everyone, including ourselves of the problem from biomechanics to treatment and prevention, is data that follows the total problem to a limited extent or data that completely follows the total problem in a few places. It could be carried on from those same trauma centers, it could be carried on an entirely different way, but we need a total set of costs. So I can honestly get up to people and say, "By god it costs this amount of money for you every year not to be doing X and Y".

Dr. Cowley: How are you going to get funding for that George? You haven't even got ten into the cancer race, you haven't got ten into any of the races, and we really haven't got anything set up yet.

George Watkins: That's why I say, I think the money available is not enough money to do anything, but probably to establish the sample registry. I'm just talking about isolating out the standard research ways of doing things; and it is doable with the kind of money we're talking about-$5 million, $10 million. It is doable enough to provide validity to some of the arguments we don't have right now. I think that's the only way that you can get it.

Paul Anderson: The first year we have a twelve month opportunity. If three years from now we have as much money as dental decay has, I think it's going to depend on what we come up with in the first twelve months. I think it better be practical, it can't be esoteric. If nothing else today, I hope this group can identify a litmus test for what projects should make it. I think it should be practical and it should make a difference in trauma patient outcome. When I went to lunch at noon, I had a queasy feeling in my stomach that this had the potential of being $10 million that would evaporate over twelve months, and we really wouldn't see if it made a difference. Could we at least try to make sure that part of it went to practical things and that there was some visability for it. We could then use it to promote an ongoing funding program so that we get as much money as tooth decay has. I think there are some things that we could learn in twelve months where all of the ground work has been done. There is a rural/urban question regarding the helicopters. It may be find to go scoop and run in the urban area when you're five minutes from the trauma center. Does it really make a difference? Should you spend eight minutes securing airways, etc. and then start rolling? Or should we take two minutes and just do nothing essentially and start running? The question I've got, is this a wide open process for the $5 million that NHTSA going to have approval authority on or are you going to try to narrow it down and specify? Are we accepting applications in these five areas or ten areas? Does NHTSA have a tentative plan right now that this group should know about?

Michael Finkelstein: If there is unanimity in a group like this which suggesting that a specific area ought to be targeted more narrowly, we would listen to that. The ground rules are already defined to some degree by the NAS Committee seeking some kind of a balance. This means we want to get activity going in as many of the areas identified as possible, with the proviso that there must be quality projects submitted. If someone believes that the programs really ought to be much more narrowly focused, we would be more than happy to listen seriously to that. Obviously, the NHTSA side of the house will be "obsessively' application oriented. Within the health research community, CDC certainly is much more application oriented than NIH.

Tom Scheid: There seems to be unanimity around the table this morning that one of the important issues is how to create the case for the severity of injury as a major illness in this country and to see if in some way we can improve utilization and thereby the outcome of patients in the long term.

Harry Teter: Well, we've talked of two areas: education and training/the degree of training.

John Sigafoos: Because I think its going to be important to identify where our problem is, we better define this problem. If we're talking about public education, I thought we had a consensus towards a limited public education, or a limited public that we wanted to educate; namely political and some of our discipline related public. What message do we take them and then what are you asking? You know, usually when you're lobbying, you've got to have a question. Again, go back to the issue that we're proposing. What are we going to do with the money? We don't know what we want. This would be important to frame our problem that we're trying to address.

George Watkins: Our problem is nobody knows or if they know they haven't paid enough attention to what the cost, of not just major, but little things. The majority of this book is not about the major things that goes on in life; that goes on and even kills people. This book is basically about all facets that go on; things that happen to people. This is what is not understood. It is not understood that a sprained toe and a severe head injury are a spectrum of the same disease. And that it is an economic impact that is far greater than any other economic impact, we have, in health care. If we reduce by half the cost of trauma, we could take a third out of our national budget deficit immediately.

Joanne McKay: The very question that you just posed is exactly the question that was asked by the man who commissioned this study and we still don't have the answer.

Dr. Gann: When you have two documents, a long time apart, telling you the same thing, either the people putting them together are fools or we're fools not to pay some attention to what they are telling us.

Michael Finkelstein: Look at what you have identified. We need to determine both short and long term costs of injuries, there is certainly no question there. So when you're looking for fundable projects, if somebody were to submit an application to do a better job of costing auto related injuries and impairments, that would be an eminently fundable project.

Dr. Cowley: Of the recommendations on page 8, the last one is very important because if decent projects are being submitted for funding then it seems that education and training programs for researchers in the trauma field would be very advisable.

Paul Anderson: I still see a divergence between wondering whether the thing we have to do will generate enough push to keep things going for this one year or whether the first year is the building of a long series so we can look forward to continuing, a good solid foundation starting from day one.

Michael Finkelstein: I expect that the peer review committee is going to be composed of researchers who are application oriented. There's going to be a commitment to fund projects that have well defined benefits, and they are going to be looking for a lot of qualified proposals.

George Watkins: That doesn't answer the question of what we have to look at. The question that we have to look at today, and its severity is very clear to me, is either short term proposals to set up for a long term solid base or a long term solid base is assured and that we can do things absolutely right.

Diane Steed: I don't think that we can sit here and say that research for the sake of long term research is going to be reinstituted, refunded every single year. So, I guess I come back again to what Mike said earlier about a balance. Is that what we have to show, with some of the earlier projects, some kinds of results or leading towards results early on; with a mix of the longer term research.

Dr. Cowley: What would be the mix, what would be the minimum quick and dirty types that we need for the coming year? Two plus three longer term ones, what's going to get their attention?

Michael Finkelstein: The way to gain support through the peer review is to frame a quality application, never mind how long the project is going to take. You don't have to show that there is a payoff the day after tomorrow. But there is no guarantee of long term funding? Well a reduction in the Federal budget deficit would help, but realistically what it takes is a community of people showing that there is a large body of practical, high quality projects that can be funded. There is certainly nothing wrong with projects that are structured in phases, where there is a modest payoff after a couple of years. For example, somebody looking at a training program can initially determine whether it works, and then having found out that it does or does not work, discover why? There is nothing wrong with structuring projects and getting the answers as you go along.

Paul Anderson: Is there any way this group could recommend that no more than half of the group be "researchers" and the other half be the people who have done surgery and people who have been out in the EMS system. This would assure that there would be a practical element to it?

Michael Finkelstein: Let me make a different offer. You get us names of people who you think ought to be on the peer review committee. I mean, right now there are a lot of fields to be covered and we'd be very interested in learning who you think should be on the committee. There are a number of areas in this field where we do know people who are both researchers and practitioners. If you ask me about biomechanics, I know who they are. However, there may be fields represented where there really are not researchers, and of necessity you're going to wind up with practitioners on the committee.

Diane Steed: I think that's an excellent offer, because I hear what you're saying and I share your concern. If we can get some of those kinds of people that you think would be important to have on these kind of committees, you can help us.

Dr. Cowley: Who appoints the peer committee?

Michael Finkelstein: The committee is appointed by the Secretary of HHS. The membership of the committee is recommended by Diane Steed and by the head of the CDC. CDC recommend's half of the members and half are recommended by NHTSA.

Diane Steed: I'll tell you another way you can look at this. When I say opportunity, and I think you were hitting on it when you were talking about costs. Could you as a group or you as individuals say what we really need to set up a foundation for the future to get at some of the more practical questions? What is the one or two things that you would like to see started with this kind of basic almost institutional kind of research that will support some of the real practical questions that you're asking here? I think cost data fits that perfectly, for example I think we want to see something come out of the peer group that would deal with that kind of an issue. Are there other fundamental questions that you would want to make sure that in this first go round that we'd get started on?

Michael Finkelstein: Regarding the review process, there are areas, I understand better than other. Unfortunately, the areas I don't know at all are the fields of treatment and rehabilitation. If a project was submitted to develop a system for disability scaling based on long term consequences and the applicants were planning longitudinal studies on the impacts of the certain kind of injuries on various classes of people; the peer review panel would review it and possibly decide that it's a good idea and its developed quite well. This project would then get to the second review panel, and that's where CDC and NHTSA staff would decide if that is what we want. From the array of projects that make it through peer review, we do want to support work in epidemiology and surveillance. We might want to include a cost component in that. The internal review committee will select its projects from those that make it through the peer review study section. The staff will of course work with the peer review study section to make sure that the group doesn't have goals that are incompatible with what the CIC is looking for. I don't know how that compares with what goes on at NIH, but that's the model we're now talking about. The peer review panel will control the quality and the government panel will address issues of program "balance."

SUMMARY:

John Sigafoos: In general I think that the areas that we've identified at least the ones that I've perceived we have identified are fairly accurate, as far as where the priorities ought to fall. I think we don't know the costs of trauma. I mean, I think that in some ways that may help us in continuation of future funding along these lines. I think that's very, very important to point out. I would also like to put in a pitch for evaluation of the training that we do with the professionals and what is appropriate training to maximize the care they provide to the trauma victim.

Dr. Krentz: Well, I would agree with Dr. Gann, that in the long run, I think the prevention aspects are of ultimate importance and well, what is most interesting to me or most important to me, is finding out what it is we do that really matters and makes a difference. I would think I would have to agree that the epidemiological aspects are probably most important; then getting a handle on the costs as it's been suggested. Better data on the magnitude of the problem and whether or not there's something that we can do to make a difference. I think this is what is going to make the rest of it possible. Another comment that I have to offer is in regards to the importance of this being a collaborative community effort. Several of us have experienced turf problems in the past and I think those hatchets are well left buried forever. We need to recognize that we all have to work together and that we all have a common focus that's going to help carry this thing forwards.

Steve Merson: One of the things that I was going to say this morning is that after reading the book I think we ought to be careful not to lay on a larger bureaucracy to handle the problem, as we have done in the past so often. I think we've been talking directly to that point and hopefully we'll get around it with an easier application process. I would also hope that we don't neglect the system and delivery aspect, because not matter what kind of research we do, if we neglect to develop an appropriate delivery mechanism, it really won't make much difference.

Larry Jordon: I just echo the epidemiological emphasis for the data that we all can use. I think we all are end users and we need the data to go fight the problem in our own respective ways. Also I would push for the emphasis on whatever we can do to spur trauma centers. The development of them, because they are at least the ones I'm familiar with are research oriented. They are collecting the data we need.

Marty Eichelberger: I am going to take a different approach; I think there is epidemiologic data that already exists upon which we can act. There are certain practical applications of trauma systems that need assessment: first, do guidelines and standards result in better patient outcomes, in America; second, is there a need for development of a National Commission on Trauma Center Accreditation; third, are existing prehospital care, hospital care and rehabilitation methods effective; fourth, how do we prevent secondary loss of life, i.e. the function of a regional pediatric trauma center. I would suggest more commitment to determine whether present methods are effective. These questions can be answered with a research protocol to set the tone for the future. This presentation of "Injury in American" is stimulating and thoughtful. Thank you for the opportunity to comment.

Dr. Almond: Well, I'm only pleased to see that a part of the government is taking a strong interest in trauma. I think we've got an opportunity here with the funding to attack at least a portion on some of the problems, and maybe give us a gateway into further funding, which I think is going to be necessary if hospitals consider dropping their trauma services, because those trauma services are costing alot of money. If we don't attack the problem, if we don't get the public to recognize the problem, I don't think there's going to be funding to carry out the necessary care of these trauma patients. I think this is an ideal opportunity to get started in the right direction, and I'm certain there are going to be alot of very strong proposals and ideas to come out of it.

Dr. Herring: I think I've heard a little bit about reinventing the wheel, which is alright. This is the same kind of conversation that went on in 1966; and we've come as far as the injury control center concept now which I think is a great step forward. But the reason trauma centers were conceived is because it was obvious to a good many people taking care of trauma patients, that trauma care was lousy in certain kinds of hospitals in certain areas. So, I think we have to watch going over material that has already been reasonably well established. So far as accreditation is concerned, I have a big worry about that, because we went through it. I think I'm concerned about the peer review committee composition. I guess maybe because I don't understand who is eligible to be on it.

Dr. Watkins: I'll probably be reiterating what was said this morning. First, we're starting with something that can be very simple or very complex. We are dealing with a diffuse issue. That is the problem that has existed in all trauma all along. We have no focus. It is easy for movie stars to focus on AIDS; AIDS is very specific and they understand that it is a disease. We have failed, everyone in this room has failed. Nobody knows injury, trauma, accident, rehabilitation, EMS. Are they all part of one or are they different? So with our limited tools, I still think that we have a certain amount of time to start something, to give the politicians and public an idea that dollars spent in trauma are actually going to be dollars saved. This is different than cancer. If you are talking about big bucks, your not talking about little bucks. An entirely different program we can sell differently. We must at the same time be building on a long term very scientific approach to the field of trauma. We must have focus which starts now until the end of the persons lifetime; from the time they have been injured until the end. This can be done in any number of ways. But that is the only way we will get cost dollars out and it is the only way an average person's mind or the person that has power can understand what we are talking about. Finally, whatever is done by any outcome of the control of diseases must appear effective in the public's mind so they will continue to support it regardless of whether they like it or not. For the next ten years, reduced cost is going to be the only thing that will sell continuing increased expenditures in trauma research and control.

Joanne McKay: I agree with everything that has been said thus far. One additional thought that keeps coming back to my mind however is that the book focuses on more than major trauma. There are the people who seek medical care for sprained ankles and back injuries that cost the federal government and the state governments a significant amount of money. We need to continue to focus on these more types of injuries as on the major ones, as we look to the future of injury research and control.

Linda Larson: To follow up on what Joanne has just said, the epidemiology piece is extremely important because one of the things that is sad about this epidemiology piece is that we need to work at more than just major trauma. We know a lot of statistics about auto accidents but it is the other trauma that occurs that is not necessarily auto accidents. This is also another part that we have to look at. I would strongly say that we need to look at the epidemiology to not only give us some answers immediately but also to lay out perhaps what the future plan is.

Harry Teter: Please send the nominees that you have for the peer review committee to Diane Steed directly but if you will send them to Sandy we will be able to keep them as a group recommendation both individual and we will identify who made the recommendation. And also if we don't hear from you within two weeks we will call you for the nominees. So it will just be easier and save a phone call if we can get the recommendations to Sandy and you all have the invitation letter and that is Sandy's address.

George Reagle: Yes, I have two or three comments. One is that from my perspective we are trying to make the process as simple as possible and maybe the perception is that it isn't so simple but I would hope that all of you will come forward with good proposals and good ideas so that we do in fact get a pool of not only good projects but good people involved in this issue. I think in the end the success of what we are doing now is a lot of good projects, a big source of people who want to get into the field and hopefully as Mike said this morning that we have a lot of zeros with a one or a two on the front. I think five to ten years from now that will be the case that we are judged by but I hope the word gets out that in fact we are in this and we do want good projects and we do want good people involved in it.

I would also hope that we could reconvene this group. I know that Diane felt the same way. As soon as the first round is made to take a look at it and see how it measures up, in it would be great to have some of the discussions we had today. Diane mentioned to me before she left and I know she felt very strongly that how fortunate we were that you took the time to come today and meet like this. If this group can't come up with good ideas on this area, nobody can. I think we have been indeed fortunate to have you and we will keep you abreast of what goes.

Dr. Cowley: Thank you all very kindly for coming. The minutes of this meeting will be forwarded to you hopefully within two weeks.

Mr. **Lehman**. Mr. Teter.

Mr. **Teter**. Thank you, Mr. Chairman.

I am Harry Teter and I am Director of the Atlantic Emergency Medical Services Council.

Mr. **Lehman**. Is this the same book we have seen before?

Mr. **Teter**. Yes, sir. I want to start out by thanking you and this committee for strongly pushing this report be done entitled "Injury in America". It is a very important document certainly to anyone in the health care business, particularly to we in the emergency medical services business because it states what we have been saying for some time, but now states by a more, I guess, objective view that trauma is a major problem in this country.

It is a major public health problem that needs to be addressed. Had it not been for this committee and for you, Mr. Chairman, pushing very hard to have this and to have funds to implement this, we would not be in the position we are today of saying in this country that this is a problem, take note of it. So we want to commend you and just hope that we can continue to implement what this study says.

I hope—we had a very good meeting as Dr. Cowley stated where we brought in EMS leaders in this country and discussed this particular report and Diane Steed, the administrator of NHTSA, met with us and agreed she would have continuing dialogue with EMS groups in moving the recommendations of this study to fruition.

We hope that that will indeed happen and that there will be many projects recommended here that will come into being. The Atlantic Council is pushing continuously for interstate emergency medical services.

The needs are tremendous. We only hope, therefore, that the full appropriations can be made to this very vital program. We want to state one other thing that I hope will be of interest to you. In the past year we have been reviewing the laws of emergency medical services.

Every law of every state in this country now has a very fine prehospital set of standards for ambulances and for personnel. That was directly due to the NHTSA program and to this committee's pushing this to happen.

No other segment of EMS is this uniform across the country. Our challenge now is to keep it, to make sure that our systems can be fully developed which takes money.

It takes money by the states, the feds and by the local area. We again are very grateful for the opportunity to be here and urge this program and we will take any questions you may have.

Mr. **Lehman**. We know about the money we applied to the Center for Disease Control for the study of this. I assume if there had been any problems we would have heard about it. But if you hear of anything you think we should know about that is positive or negative going on down there, please let us know.

Mr. **Teter**. We will accept that invitation, Mr. Chairman, because when we had this meeting I think it was clear that the EMS community should have some input into how these dollars were spent. They should not just be turned over to somebody that hadn't close contact with either this committee or the EMS community who would fritter them away.

I don't think that will happen. Ms. Steed, as I said, asked the group of the EMS leaders to meet with her and meet with CDC to talk about this but we will accept your invitation and be back.

Mr. **Lehman**. If it does not happen, we can address this kind of problem either with Ms. Steed or with the people from the CDC.

Mr. **Teter**. We appreciate that.

Mr. **Lehman**. Thanks again, for the lovely award.

Mr. Coughlin?

Mr. **Coughlin**. I just want to congratulate you and the Chairman who has certainly been a pioneer in this. The Chairman has devoted a great deal of his personal time and attention and devotion to it. The award is very well deserved, Mr. Chairman.

Mr. **Teter**. I might say Pennsylvania and Florida have two very fine laws and systems that are being developed and they can be very proud of it. EMS addresses the biggest killer of children, the third biggest killer of people.

We are a $90 billion a year challenge. You are the one committee that really urges this service in this country and we need you very badly.

Mr. **Lehman**. I want you to think about Mr. Coughlin for the next award because I couldn't have done it by myself.

Mr. **Teter**. Accepted.

Mr. **Coughlin**. We are very grateful to both of you.

Mr. **Teter**. Thank you, Mr. Chairman.

WEDNESDAY, APRIL 23, 1986.

FEDERAL AVIATION ADMINISTRATION

WITNESSES

SUZETTE MATTHEWS, GENERAL COUNSEL, AIR TRAFFIC CONTROL ASSOCIATION, INC.

JAMES R. BANKS, ASSISTANT FOR OPERATIONS, AIR TRAFFIC CONTROL ASSOCIATION, INC.

CHARLES E. VARNELL, CONSULTANT TO THE AIR TRAFFIC CONTROL ASSOCIATION, INC.

Mr. **Coughlin**. Air Traffic Control Association. We have your prepared statement, which will be inserted into the record.

Ms. **Matthews**. That is what we are prepared to do.

Mr. Chairman, members of the subcommittee, I am Suzette Matthews, General Counsel to the Air Traffic Control Association.

ATCA is a professional association which has its goal advancements in the science and profession of air traffic control and aviation safety.

ATCA's membership consists of air traffic controllers and managers, flight service specialists, airways facility technicians, pilots and other persons, corporations, and organizations engaged in development, production, operation, maintenance, and use of our national airspace system.

I have with me today ATCA members James R. Banks and Charles E. Varnell, both of whom are consultants specializing in the technology of air traffic control.

We appear before you today to provide our insight and views on the process and progress of NAS modernization, and our perceptions about the potentially devastating effects that declining funding for FAA programs, particularly the administration's proposed fiscal year 1987 budget request for FAA, are having, and will have, on timely completion of NAS modernization, and operations of the air traffic control system.

We also will address the benefits and progress of FAA's largest NASP project, the Advanced Automation System.

ATCA has prepared comprehensive written remarks which I would like to submit for the record, and at this time provide a brief summary of our views.

ATCA urges Congress and the administration this year to renew our commitment to modernization of our national airspace system as a critical national priority. The volume of air traffic using our air traffic control system is spiraling.

FAA projections forecast that by 1997 traffic handled by FAA's ATC towers and centers will increase 46 and 39 percent, respectively, over the volume accommodated in 1985. The system operated today was not designed to, and cannot, accommodate the level of traffic forecast for the future.

Due to the current ATC system's evolutionary genesis, its equipment is an aging mixture of varying technological generations. It is expensive to operate and maintain; its expansion capability and adaptability to change is limited; and it is not equipped to exploit the productivity and economies available through automation.

In our judgment, FAA's National Airspace System Modernization Plan now underway contains technically sound programs for development and acquisition of equipment and technology which will increase safety and productivity in the system, achieve economies not heretofore available, and create a structure capable of accommodating traffic forecast for the future.

The money needed to achieve these objectives is collected in the aviation trust fund, and available for those stated purposes.

In light of the benefits to be achieved, and the availability of the means to do so, ATCA strongly recommends that the administration and Congress push forward as expeditiously as possible with completion of the plan.

Moreover, in light of the needs being addressed by the NAS Plan, ATCA submits that there are no reasonable or viable alternatives.

Timely implementation of NAS plan improvements is threatened today by underfunding. During the period 1982–1987, NAS plan appropriations cumulative have lagged $1.67 billion behind authorized levels.

The administration's fiscal year 1987 budget proposal accelerates that trend: Amounts included for NAS plan expenditures are $703 million, approximately 30 percent, below the authorized level, which would bring the cumulative funding shortfall to $2.3 billion.

Most critically, we understand that the administration's $825 million request for FAA F&E in fiscal year 1987 is $602 million, or 42 percent less than the amount necessary to meet the requirements of the NAS plan, as revised in 1985.

Although in hearings on the fiscal year 1986 budget, FAA predicted that the NAS plan would remain essentially on schedule despite funding reductions to below authorized and requested levels in fiscal year 1986, this optimistic forecast presumed recovery through higher funding levels in immediately subsequent years; specifically, an appropriation over $1 billion in fiscal year 1987, reaching $1.6 billion during the fiscal year 1988–1989 period.

This drastic reduction in NAS plan funding, should it be permitted to occur, would have disastrous effects on progress of NAS modernization. Already, program schedule adjustments, including those due to insufficient funding in previous years, have eroded the expected NAS plan dollar benefits to be achieved during the period 1981–2000 from the $18.3 billion projected in 1985, to approximately $16.5 billion.

Meanwhile, FAA may be forced to take some vital NAS projects off full funding, in order to initiate other critical improvements, placing all these projects at risk of incompletion.

Other projects, such as the long-range radar, scheduled for 1987 contract award, will be pushed into future years, thereby foregoing the benefits and economies otherwise available through modernization.

Most critically, ATCA fears that underfunding will slow or destroy the momentum of the Advanced Automation System, or "AAS." The largest single component of the NAS plan, AAS, involved development of a total automation system for air traffic control, including new controller work stations, "sector suites," and new software, including advanced functions.

Implementation of AAS will increase safety, controller productivity, capacity and economy. In addition to productivity and capacity gains, AAS is a prerequisite to consolidating over 200 ATC facilities operating today into approximately 23 area control facilities, achieving economies of scale and operations heretofore impossible.

We submit that development and implementation of AAS under current schedules is absolutely crucial to maintaining safety and efficiency of NAS, while at the same time accommodating spiraling future traffic demands.

Although the new host computer using existing, "rehosted", software is expected to provide limited computer capacity increases in the short run, providing critical ATC service to the significantly increased traffic projected into the next century in a cost-effective way is directly dependent upon application of the advanced automation capabilities in the AAS program.

ATCA strongly urges against delaying the acquisition phase of AAS as suggested by GAO in its June 17, 1985 report. More extensive testing by both contractors prior to the acquisition phase would be extremely costly, requiring both DCP contractors to develop a demonstrable system, only then to discard half the report.

ATCA strongly supports testing of AAS and the area functions during acquisition phase, wherein capabilities to be implemented first are tested, rather than delaying the entire program for test of functions to be implemented much later.

Having addressed the crisis to our national airspace system and NAS modernization posed by the administration's fiscal year 1987 budget request, ATCA strongly supports a two-pronged solution.

First, ATCA urges support of legislation pending before both Houses of Congress, S. 1979 and H.R. 4191, which would separate the aviation trust fund from the annual budget process. This would help to assure that funds raised from aviation users specifically to airport and airways improvements would be expended for those stated purposes.

Second, ATCA urges Congress to make increased funding for FAA, and NAS modernization in particular, a special priority. Americans are concerned about safety and efficiency in air transportation; they support federal programs designed to improve our air transport system; and we believe they are willing to have user taxes spent for those purposes.

ATCA urges Congress to appropriate the full amounts authorized for NAS modernization in fiscal year 1987 by the Airport and Airway Improvement Act of 1982.

Thank you for the opportunity to express these views. If you have any questions, Mr. Banks, Mr. Varnell and I will try to answer them for you.

[The prepared statement of Ms. Suzette Matthews follows:]

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STATEMENT OF

SUZETTE MATTHEWS

ON BEHALF OF

THE AIR TRAFFIC CONTROL ASSOCIATION, INC.

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

APRIL 23, 1986

Mr. Chairman and Members of the Subcommittee, I am Suzette Matthews, General Counsel to the Air Traffic Control Association, Inc. ATCA is a professional association which has as its goal advancements in the science and profession of air traffic control and aviation safety. ATCA's membership consists of air traffic controllers, air traffic and flight service specialists, airways facilities technicians, pilots, and other persons, corporations, and organizations engaged in development, production, operation, maintenance, and use of our National Airspace System.

ATCA appears before you today to provide its insight and views on the process and progress of National Airspace System modernization, and the devastating effects that declining funding for FAA programs, particularly the President's proposed Fiscal Year 1987 budget request for FAA, are having and will have on timely completion of the NAS modernization plan, and operations of the air traffic control system. ATCA also will address the benefits and progress of FAA's largest NASP project, the Advanced Automation System.

NAS PLAN AS A CRITICAL NATIONAL PRIORITY

The Air Traffic Control Association urges Congress and the Administration to renew their commitment to modernization of our National Airspace System as a critical national priority.

During the next decade, we will experience spiraling demands upon the national air traffic control system. FAA forecasts that between 1985 and 1997, operations at towered airports will increase from 57.9 million to 84.5 million, or 46%. FAA forecasts activity at ATC Centers to increase from 32.7 million aircraft handled in 1985 to 45.3 million in 1997, an increase of 39%. Flight services rendered are forecast to increase from 52.9 million in 1985, to 72.4 million in 1997, an increase of 39%. *See* "FAA Aviation Forecasts, Fiscal Years 1986–1997," Report FAA–APO–86–1, pp. 77–79.

This rapidly increasing level of air traffic is being accommodated by air traffic control procedures and equipment developed in an evolutionary process over the past forty years. The resulting system, although the safest and most advanced in the world today, was not designed to meet the traffic demands placed upon it today, much less that forecasted for the future. Today's equipment is an aging mixture of varying technological generations. The system is expensive to operate and maintain; its expansion capability and adaptability to changing requirements is limited; it does not exploit the potentials of automation, which would improve productivity and economy.

Recognizing that capacity limitations of our National Airspace System could pose a near-term constraint on the nation's economic well-being and growth, Congress, in the Airport and Airway Improvement Act of 1982, directed the Administrator of the Federal Aviation Administration to formulate a National Airways System Plan, setting forth a ten-year, $1.69 billion investment program for research, engineering, and development, and $11.7 billion in improvements for airports and air traffic facilities and equipment. The cost of NAS modernization was to be paid by users of the system, through increased aviation fuel and ticket-waybill taxes, which would be collected from users and maintained in an Airport and Airway Trust Fund, to be expended exclusively for development and improvement of our National Airspace System.

In December 1981, the Federal Aviation Administration first chartered the "NAS Plan," a comprehensive blueprint for modernizing our Nation's air traffic control system—one of the largest public civil services provided by the Federal Government—with current technology and automation. Today, less than half-way through the ten-year capital investment period envisioned by Congress, over 69% of major NAS Plan projects are under contract; 84% of the entire effort is expected to be under contract by the end of Fiscal Year 1986. FAA is to be commended, not only for the technological innovation and vision which inspires the NAS Plan, but for its capable management of one of the largest civil capital investment programs in our Government's history. ATCA submits that ATC modernization was urgently needed when the NAS Plan was developed and is more urgently needed today; the Plan was, at its inception, and continues to be, technically sound and appropriate to the needs it addresses. Its completion will result in safety and capacity and productivity improvements to our National Airspace System which contribute immeasurably to the country's economic growth and well-being.

In its 1985 update to the NAS Plan, FAA estimated that the cost savings in ATC system operations to be achieved through timely completion of NAS modernization would be $18.3 billion between the years 1981–2000, not to mention the additional benefits that the Nation would continue to reap from a modernized, efficient system into the next century. The providers of air transportation, the people who use air transportation, and the taxpayer will all reap benefits from modernization of the system.

ROAD TO CRISIS IN FY 87

In recent years, funds in the Airport and Airways Trust Fund, needed for NAS modernization, have not been appropriated and made available for the purposes intended.

During the period 1982 through 1986, funding appropriated for FAA Facilities and Equipment was nearly $1.2 billion, or 23%, short of levels authorized by the 1982 Airport and Airways Improvement Act. In 1986 alone, the F&E appropriation for FAA was $427 million, or 31%, below the level authorized. During the same period, appropriations for FAA Research, Engineering, and Development were $90 million, or 9%, below authorized amounts. The Airport Improvement Program has experienced similar funding shortfalls. During the period 1982 through 1986, funding for this program was $398 million, or 9%, less than the amount authorized in the 1982 Act. FAA has sustained these cuts even though the NAS Plan has been updated to include additional requirements such as Terminal Doppler Weather Radar (TDWR).

The Administration's Fiscal Year 1987 Budget request for FAA not only exacerbates the NAS Plan funding shortfall, but initiates an alarming downward spiral which threatens the very heart and life of NAS modernization. Although the 1982 Act authorizes $1.164 billion to be appropriated in 1987 for FAA Facilities and Equipment, the Administration has requested only $825 million–$339 million, or 29%, below the authorized level. Similarly, although the 1982 Act authorizes $193 million for FAA Research, Engineering, and Development, the Administration has requested only $134 million–$59 million, or nearly 31%, below the authorized level; for the Airport Improvement Program $712 million–$305 million, or 30%, below the $1.017 billion funding level authorized by Congress in the 1982 Act. Such drastic funding reductions in FY 87 (a total of $703 million in these three accounts), coming upon the heels of a cumulative total shortfall of $1.67 billion over the 1982–86 period, will have significant and, perhaps critical, negative effects upon forward momentum of NAS modernization.

In the case of FAA Facilities and Equipment, for example, the Administration's FY 87 Budget request is $605 million, or 42%, less than the amount necessary to meet the requirements of the NAS Plan, as revised in 1985; this compounds a funding insufficiency in FY 86 of $197 million, or 17%, vis-a-vis the 1985 Plan. Although, in hearings on the FY 86 budget, FAA predicted that the NAS Plan would remain essentially on schedule despite funding reductions to below authorized and requested levels in FY 86, this optimistic forecast presumed recovery through higher funding levels in the immediately subsequent years. Specifically, FAA expected an appropriation over $1 billion for F&E in FY 87, reaching $1.6 billion during FYs 88–89. Furthermore, as a result of adjustments to the NAS Plan made since its last comprehensive revision in 1985, FAA now anticipates a requirement of slightly over $12 billion for F&E through FY 92, rather than the $11.7 billion envisioned in the 1985 NAS Plan. Under the funding schedule now envisioned by OMB ($825 million in FY 86, leveling off at $1.164 billion in each of FYs 88–92), the NAS Plan will suffer a cumulative shortfall from required funding of $1.67 billion by 1992.

SPIRALING FUNDING SHORTFALLS WILL SERIOUSLY AFFECT FORWARD MOMENTUM OF THE NAS PLAN, PARTICULARLY THE ADVANCED AUTOMATION SYSTEM

Enactment of the Administration's proposed FY 87 funding levels for FAA not only will result in vital project delays, and thereby reduce benefits from NAS modernization, but will require changes in the way FAA plans procurement which could jeopardize completion of the NAS Plan.

Reduced appropriations for FAA Research, Engineering and Development and Facilities and Equipment in FY 86 already is taking its toll on NAS Plan projects. As a result of program schedule adjustments, including those due to insufficient funding, the expected dollar value of benefits to be achieved through NAS modernization during the period 1981–2000 have eroded from the $18.3 billion projected in 1985 to approximately $16.5 billion. This erosion of benefits can be expected to continue, and possibly accelerate if underfunding continues to cause delays in development and implementation of NAS.

Meanwhile, in order to meet deficit reduction goals while at the same time keeping major NAS Plan projects on track, FAA will be forced to depart from its traditional "full-funding" approach to new equipment purchases. Under the full-funding approach, project completion is assured by securing funds for the life of the project at the time of initial investment. If the Administration's FY 87 F&E request is approved, FAA will be forced to use a large portion of funds reserved for completion of some NAS Plan projects already underway, to initiate other planned NAS projects. In future years, therefore, FAA will need to seek year-by-year appropriations for all these projects. This change will inject instability into FAA's NAS planning process, creating a heretofore unencountered risk that NAS projects underway will encounter delay or cancellation in future years for lack of funding.

Continued funding shortfalls for Research, Engineering and Development and FAA Facilities and Equipment in FY 87 and beyond will have the inevitable effect of delaying completion of NAS Plan projects. In particular, ATCA fears that insufficient F&E funding in FY 87 and future years will slow or even destroy the momentum of FAA efforts to develop and deploy the Advanced Automation System (AAS). The 1986/1987 Administration Budget request fuels these fears. AAS, the largest single component of NAS modernization, involves development of a total automation system for air traffic control, including software programs to run in the new computers, and new automated controller work stations used for both en route and terminal functions ("Sector Suites"), providing automation for the first time in air traffic control towers. The sector suites will contain color displays which enhance controller discrimination between live traffic and other relevant aircraft position reference information. Auxilliary displays may portray: (1) a full radar picture with real-time weather, (2) electronic display of flight data (eliminating the need for manual paper flight strips, and (3) display of ATC information related to advanced functions resulting from the automated en route air traffic control (AERA) capability. The AAS will (1) permit aircraft on IFR flight plans to fly user-preferred fuel-efficient profiles, (2) increase safety of the system by reducing the potential for operational errors, (3) increase system capacity by integrating en route metering with local and national flow control, and (4) increase controller productivity by increasing the number of aircraft and volume of airspace that a control team can safely manage.

The benefits of the AAS extend beyond the area control computer complex (ACCC). Automation in the air traffic control tower will provide tower controllers with traffic and weather information not available today. Functions performed manually will be automated. Advanced metering programs and increased communication capabilities will result in maximizing terminal area capacity and reduce delays. Real-time two-way communications between field facility units (Traffic Management Unit) and Central Flow Control will enhance traffic flows (Traffic Management System); communications with the Central Weather Processor will provide real-time weather display to the controller, which is a major safety enhancement; and two-way automated communications between Flight Service Data Processor and AAS will enhance the movement of General Aviation Aircraft. AAS also enables automated transmission of critical flight data, including significant weather and ATC Notices to Airmen, directly to aircraft by Mode S/data link.

The implementation of the AAS is the necessary enabling capability, that is a prerequisite, to consolidation of the over two hundred air traffic control facilities operating today into Area Control Facilities, achieving economies of scale and operations impossible in today's ATC environment.

Timely development and deployment of the AAS is absolutely crucial to maintaining the safety and efficiency of the NAS in the face of spiraling traffic demands. Although deployment of the new host computer using existing ("rehosted") software will provide limited ATC computer capacity increases necessary in the short-run, the significantly increased traffic projected into the next century can only be accommodated in a cost effective way by applying the advanced automation capacities included in the AAS program.

The FAA presently has two highly qualified AAS Design Competition Phase contractors. Both have the capability to produce and implement the AAS. In the context of the needs and benefits to be achieved through implementation of AAS, ATCA recommends that the present schedule for the Design Competition Phase be maintained.

In ATCA's view, to delay the Acquisition Phase until both contractors can fully test the design hardware and software, as suggested by GAO Interim Report IMTEC–85–11 (June 17, 1985), would indeed be detrimental to the AAS and NAS Plan implementation. More extensive testing prior to Acquisition Phase award of the AAS would be extremely costly in dollars and time. In the design competition environment, this would require both contractors to fully develop a demonstrable system, only then to discard half of the effort. ATCA strongly supports the testing of the AAS and the AERA functions included within the AAS during the Acquisition Phase, wherein capabilities to be implemented first are tested, rather than delaying the entire program for tests of functions that will be implemented much later.

In addition to concerns about loss of momentum of the AAS program, ATCA is seriously concerned that insufficient funding will delay other critical NAS improvements. For example, the Administration's FY 87 Budget contains only minimal funding for the joint FAA/DOD Long Range Radar Program, originally scheduled for contract award in FY 87. This program is for replacement of radars approaching obsolescence at joint use facilities with new upgraded equipment which would reduce maintenance work/costs. Similarly, no funding has been included for eighty Distance Measuring Equipment needed to complete the Second Generation VORTAC program.

ATCA also is concerned that FAA F&E funding shortfalls in FY 87 and future years will have the effect of delaying implementation of the critical Next Generation Weather Radar (NEXRAD) and Terminal Doppler Weather Radar (TDWR). In light of the Administration's proposal to fund 70% of the NEXRAD rather than the 30% originally planned, with Airport and Airway Trust Fund revenues, this program may now have to compete in full for the already too scarce FAA F&E dollar. With 68% of costly flight delays, and over 50% of all carrier accidents in some attributable to hazardous weather, ATCA urges Congress to assure that funding adequate to keep this program on the fast track is appropriated in FY 87.

Finally, NAS Plan Facilities and Equipment projects risk immediate delay in FY 87 as a result of insufficient ATC operations maintenance funding. Systems maintenance expenditures are composed 56% of salaries and benefits to employees, 23% leased communications, 10% rents/communication/utilities, 9% travel/transport of supplies and personnel, and 2% other expenses. Since the first 89% of maintenance funds are fixed costs, insufficient funding in the ATC maintenance area will come largely in the form of reduced travel/transportation expenditures. Since NAS Plan implementation (for example FSS consolidations) depends largely upon FAA's ability to move people and equipment, insufficient funding for ATC Operations poses a real, short-term threat to timeliness of the entire program.

CONCLUSION

Having addressed the crisis to our National Airspace System and NAS modernization posed by the Administration's FY 87 Budget Request for FAA, ATCA offers a two-pronged solution.

First, ATCA urges support of legislation pending before both Houses of Congress (S. 1979, H.R. 4191) which would separate the Aviation Trust Fund from the annual Federal Budget process. This would assure that funds raised from aviation users specifically for airport and airways improvements would be expended for stated purposes. By the end of fiscal year 1986, the Aviation Trust Fund is projected to contain a balance of nearly $3.2 billion. The money necessary for NAS modernization is already collected and available for that purpose. The Airport and Airways Improvement Act of 1982 was a major legislative initiative representing an historic agreement between the Administration, the Congress, and the users of the nation's airport/airway system that our National Airspace System would be modernized and improved. The Administration and Congress should honor the commitment made to those citizens who paid into the Fund by assuring that Trust Fund monies now available are expended for that purpose. Taking the Aviation Trust Fund out of the Federal Budget process would facilitate that end. Particularly in light of the need in 1986 for legislation authorizing continuation of the NAS modernization begun under the Airport and Airway Improvement Act of 1982, it is necessary to retain the support of NAS users by demonstrating that the taxes they paid in good faith are used for the purposes intended.

Second, while supporting the goal of national deficit reduction, ATCA nonetheless urges Congress to make increased funding for FAA, and NAS Modernization, in particular, a special priority. This will assure that the users of the NAS and the flying public receive the safe and efficient air transport system they demand and require. ATCA submits that Congress and the users of the Air Traffic Control System have expressed their desire for NAS modernization in the cooperative venture embodied in the Airport and Airway Improvement Act of 1982, and the users demonstrated their willingness to pay for those improvements through the higher user taxes which fund the Aviation Trust Fund. More and more, the public is selecting commercial air transport as its preferred means of travel. Americans are concerned about safety and efficiency in air transportation; they support Federal programs designed to improve our air transport system; and we believe they are willing to have user taxes spent for those purposes. ATCA urges Congress to make the NAS Plan a funding priority by appropriating the full amounts authorized for NAS modernization in FY 87 by the Airport and Airway Improvement Act of 1982.

Thank you for the opportunity to express these views.

Mr. Coughlin. Thank you very much for your testimony and for summarizing it. Just tell me how many members do you have in your association?

Ms. Matthews. We have approximately 1,700 individual members, and slightly over 80 corporate members.

Mr. Coughlin. I have no further questions, unless the Chairman does. I just appreciate your appearing here very much indeed.

Mr. Lehman. I want to thank you for being here, and I apologize for having to step out of the room for a minute. I know you have been waiting around all day. Thank you for being here.

Wednesday, April 23, 1986.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

FEDERAL HIGHWAY ADMINISTRATION

WITNESS

TOM V. PARKER, CHAIRMAN, NATIONAL ASSOCIATION OF GOVERNORS' HIGHWAY SAFETY REPRESENTATIVES, GOVERNOR'S HIGHWAY SAFETY REPRESENTATIVE FOR THE STATE OF ARKANSAS

Mr. Parker. Mr. Chairman, thank you very much, and Members of the Committee, for indulging me, allowing me to step ahead of a couple of others. I apologize to those. I do have a plane to catch shortly.

My name is Tom Parker, I am Chairman of the National Association of Governors' Highway Safety Representatives and the Governor's Highway Safety Representative in Arkansas.

Much has occurred in the last five years in the complicated field of highway safety to change the way we approach our work in the States. Never before has so much public attention been focused on the ever-present problems of drunk and drugged driving, and on the great need for maximum occupant protection and effective speed control.

New opportunities present themselves as major highway safety issues emerge. Truck safety is on the "front burner," particularly as regards needed truck driver licensing and testing changes.

The population of elderly drivers increases each year, which is already having an effect on how states conduct their highway safety business, and is sure to have even more far-reaching ramifications as we approach the 21st century.

As these old and new issues remain and grow, and as identification of highway safety problems and countermeasures becomes more sophisticated, the community of people who worry about such issues, including this committee and others in Congress with concerns about the enormous fatality and injury tolls on our Nation's highways each year, has major responsibilities to respond.

As pressures increase on the highway safety community, both as a result of Gramm-Rudman-Hollings budget cuts and the broad range of important issues to be addressed, the 402 and other federally-funded programs become even more vital to sustaining progress at the State and community level.

NAGHSR's position has always been that the 402 program should be fully funded, at the authorized level of the program. We realize that obligation ceilings are traditionally placed on programs funded from the Highway Trust Fund, including 402.

The 402 program administered by the National Highway Traffic Safety Administration has been funded for the past few years as follows:

In fiscal year 1985, the program was authorized at $126.5 million, and an obligation ceiling of $126.5 million was placed on the program.

In fiscal year 1986, the program was authorized at $132 million, and the obligation ceiling for the program was frozen at fiscal year 1985 levels, therefore at $126.5 million.

Gramm-Rudman cuts of 4.3 percent in March 1986 for the fiscal year 1986 program resulted in program levels for the remainder of fiscal year 1986 at an annual rate of approximately $121 million.

The Administration's request for the fiscal year 1987 NHTSA 402 program is $110 million, representing a 13 to 14 percent cut from current levels.

Our association polled its membership in February 1986 regarding the effect of cuts required under Gramm-Rudman-Hollings. Results of that survey indicate that over half the states, of 41 responding to the survey, were able to absorb the 4.3-percent cut in their programs without major long-range harm.

One-fourth of the states made across-the-board cuts in all projects, and in one-eighth of the states, particular projects were eliminated entirely. Programs eliminated included alcohol countermeasures and public information and education grants.

When asked what would happen should the 402 program ultimately be funded at the level suggested by the administration, $110 million, many more states indicated a detrimental effect.

It appears the most significant impact would be felt in alcohol safety programs, emergency medical services and police traffic services.

Once hypothetical funding levels declined below $110 million, program and project reductions increased dramatically, negatively affecting all highway safety project areas.

Given the current climate for federal budget deficit reduction, we cannot expect valuable, although limited federal highway safety dollars made available for state and community programs to increase.

Highway Trust Fund dollars originate as user fees, and we would argue that the American people expect the roads, wherever they travel, to be as safe as possible.

At the very least, we feel strongly that the current program level, $121 million, should not be decreased at all.

I have submitted for the record a copy of what we have entitled "A Unique Federal-State Lifesaving Partnership at the Crossroads," which is a part of the testimony submitted for the record, Mr. Chairman.

And thank you again for the opportunity to present our views, and I would welcome any questions at this time.

Mr. **Lehman**. The Secretary made safety her number one priority, and yet, your programs, these programs that you represent were cut to last year's level. Do you think your program is less cost-effective than some of the other safety programs?

Mr. **Parker**. We are actively involved in our programs on safety belts, drunk driving and so on, and no, sir, we don't think we are less effective.

Mr. **Lehman**. Mr. Coughlin?

Mr. **Coughlin**. No questions.

Mr. **Lehman**. Thank you very much. Whose District are you from?

Mr. **Parker**. Tommy Robinson's District. Thank you, sir.

[The prepared statement of Mr. Tom Parker follows:]

NAGHSR
National Association
of Governors' Highway Safety Representatives

Tom V. Parker
Chairman
Judith L. Stone
Executive Director

STATEMENT OF TOM V. PARKER, CHAIRMAN
NATIONAL ASSOCIATION OF GOVERNORS' HIGHWAY SAFETY REPRESENTATIVES

TESTIMONY ON THE U.S. DEPARTMENT OF TRANSPORTATION
APPROPRIATIONS FOR FISCAL YEAR 1987

HEARING FOR PUBLIC WITNESSES
BEFORE THE SUBCOMMITTEE ON TRANSPORTATION
OF THE APPROPRIATIONS COMMITTEE
U.S. HOUSE OF REPRESENTATIVES
April 23, 1986

Mr. Chairman, I am Tom V. Parker, Chairman of the National Association of Governors' Highway Safety Representatives (NAGHSR) and the Governor's Highway Safety Representative in the State of Arkansas.

NAGHSR, through the guidance of its entire membership and Executive Board, operates in the area of highway safety on behalf of the States, Territories, and the District of Columbia, with the Congress and the Executive Branch. By memorandum of agreement, NAGHSR is the highway safety support affiliate of the National Governors' Association. The Association acts as a central dissemination point for information concerning legislative and administrative activity affecting the States' highway safety programs.

The members of NAGHSR manage state highway safety programs, primarily those funded with federal seed dollars through the State and Community Highway Safety Grant program (Section 402, Title 23 U.S.C.), commonly referred to as the "402" program.

Also, Governors' Highway Safety Representatives are involved in the management and development of other important highway safety programs in their states, including the Section 408 Alcohol Safety Incentive Grant program, and the Motor Carrier Safety Assistance Program (MCSAP).

Much has occurred in the last five years in the complicated field of highway safety to change the way we approach our work in the states. Never before has so much public attention been focused on the ever-present problems of drunk and drugged driving, and on the great need for maximum occupant protection and effective speed control. States and communities continue the battle to keep the impaired driver off the roads, to make mandatory the wearing of safety belts (now in 24 states and the District of Columbia), to assure proper usage of child safety seats in all 50 states and D.C., and to reduce excessive vehicle speeds.

New opportunities present themselves as major highway safety issues emerge. Truck safety is on the "front burner", particularly as regards needed truck driver licensing and testing changes. The population of elderly drivers increases each year, which is already having an effect on how states conduct their highway safety business, and is sure to have even more far-reaching ramifications as we approach the 21st century.

As these old and new issues remain and grow, and as identification of highway safety problems and countermeasures becomes more sophisticated, the community of people who worry about such issues -- including this committee and other in Congress with concerns about the enormous fatality and injury tolls on our nation's highways each year -- has major responsibilities to respond. As pressures increase on the highway safety community, both as a result of Gramm-Rudman-Hollings budget cuts and the broad range of important issues to be addressed, the 402 and other federally-funded programs become even more vital to sustaining progress at the state and community level.

Highway Safety Funding

NAGHSR's position has always been that the 402 program should be fully funded, at the authorized level of the program. We realize that obligation ceilings are traditionally placed on programs funded from the Highway Trust Fund, including 402.

The 402 program administered by the National Highway Traffic Safety Administration (NHTSA) has been funded for the past few years, as follows:

In FY1985, the program was authorized at $126.5 million, and an obligation ceiling of $126.5 million was placed on the program;

In FY1986, the program was authorized at $132 million, and the obligation ceiling for the program was frozen at FY1985 levels, therefore at $126.5 million;

Gramm-Rudman cuts of 4.3% in March 1986 for the FY1986 program resulted in program levels for the remainder of FY1986 at an annual rate of approximately $121 million.

The Administration's request for the FY1987 NHTSA 402 program is $110 million, representing a 13-14% cut from current levels.

Our Association polled its membership in February 1986 regarding the effect of cuts required under Gramm-Rudman-Hollings. Results of that survey indicate that over half the states (of 41 responding to the survey) were able to absorb the 4.3% cut in their programs without major long-range harm. One-fourth of the states made across-the-board cuts in all projects, and in one-eighth of the states, particular projects were eliminated entirely. Programs eliminated included alcohol countermeasures and public information and education grants.

When asked what would happen should the 402 program ultimately be funded at the level suggested by the Administration ($110 million), many more states indicated a detrimental effect. It appears the most significant impact would be felt in alcohol safety programs, emergency medical services and police traffic services.

Once hypothetical funding levels declined below $110 million, program and project reductions increased dramatically, negatively effecting all highway safety project areas.

Given the current climate for federal budget deficit reduction, we cannot expect valuable, although limited federal highway safety dollars made available for state and community programs to increase. Highway Trust Fund dollars originate as user fees, and we would argue that the American people expect the roads, wherever they travel, to be as safe as possible. At the very least, we feel strongly that the current program level -- $121 million -- should not be decreased at all.)6

[At this point in the legislative and budget cycle, no highway/highway safety authorization bill for FY1987 has been adopted by the Congress. Therefore, no authorization levels for FY1987 for the 402 program are in place. Our position remains the same as always, that the 402 program should be fully funded, up to the maximum of the authorization level. We will notify this committee of any alterations in our position presented to you today, should we know FY1987 authorization levels in a timely fashion.]

We also strongly support adequate funding levels for the 403 research and demonstration program, which provides us at the state and local level with new techniques and tools for safety training and other innovative, lifesaving programs. 403-funded research supports 402 by providing state-of-the-art information for ongoing projects. For example, the techniques for identifying intoxicated drivers known as "eye gaze nystagmus" was validated with Section 403 dollars. To date, over 1,000 police trainers have been trained. Gaze nystagmus has become a most useful tool for DWI enforcement.

Major Progress

A second part of our February survey of the states focused on stewardship of the 402 program in the states. We are proud of the results achieved through excellent management of this federal-state partnership, and we aspire to more progress in future years.

The preliminary results of this data-gathering process on the effectiveness of the 402 program have been summarized in a report that we attach to this testimony. We have entitled the report, "A Unique Federal-State Lifesaving Partnership. . . At The Crossroads", and wish to point out just a few impressive points from it. [The entire report will be submitted for the record of these hearings].

Our Context

In this testimony, we have attempted to describe the picture for highway safety in the short term, particularly as effected by federal funding. In our "Program at the Crossroads" report, we have taken some credit for progress made in highway safety and explained how we see the program working and achieving results in the states.

Several features of our current environment are shaping highway safety's priorities and programs, such as:

1) Economic and political trends in the United States are tending to reduce investment in government programs, particularly at the federal level. At the same time, the public response, and support for highway safety is the strongest in the history of the national program.

2) Maintaining the coordinating function of the single state highway safety agency, as envisioned by Congress in the original Highway Safety Act of 1966, is a continuing challenge, yet remains the vital key to innovation and comprehensive planning for state and community highway safety programs.

3) Highway safety is becoming more controversial as certain measures, like minimum drinking ages, limitations on alcohol sales or advertising, mandatory safety belt laws and other measures are proposed by an increasingly determined public. Governors' Representatives act as conveners of interested parties at state and national levels, providing a mechanism for thoughtful deliberation of public policy.

4) More organizations are becoming interested in highway safety, and NAGHSR seeks to facilitate their collaboration.

Our Association's members work within such a context, for the betterment of the nation's highway safety program. We have suffered several funding fluctuations since the inception of the 402 program two decades ago, yet feel there is no better time than now for achieving the goals we have set out for ourselves. We hope this committee will agree to give us the funding tools needed to continue this important mission.

NAGHSR

National Association
of Governors' Highway Safety Representatives

Tom V. Parker
Chairman
Judith L. Stone
Executive Director

A Unique Federal-State Lifesaving Partnership . . . at the Crossroads

I. Introduction

Motor vehicle crashes rank fourth among causes of death in the United States, behind heart disease, cancer and stroke. Vehicle crashes are the leading cause of death for Americans under age 40.

For more than 20 years, federal and State governments have been engaged in a remarkable partnership that has helped to reduce the motor vehicle death rate from 5.5 fatalities (per 100 million vehicle miles traveled) in 1966, to 2.46 in 1986.

Accompanying the savings in lives have been corresponding economic savings: directly—by reducing demands on police, emergency medical personnel, trauma centers and hospitals, and workers compensation; and indirectly—by reducing demands on public welfare, social security and survivor benefits, lost income taxes, rehabilitation costs and lost job productivity.

Today the program is at a crossroads, poised at the threshold of significant advancements, but threatened by potential reductions in the State and community grant program authorized by Section 402 of the Highway Safety Act.

This document describes breakthrough opportunities created by the State and community grant program and looks behind the scenes at the crucial role of the Federal-State partnership in enabling communities to reduce the tremendous losses caused by motor vehicle crashes.

II. How the 402 Program Addresses Critical Needs for Achieving Crash Reductions

The 402 program is a catalyst for helping to create the environment, and provide technical and strategic financial support to enable States and communities to design, implement and evaluate increasingly effective life-saving programs.

Specifically, the Federal-State partnership under Section 402 of the Highway Safety Act:

1. Provides technical and financial assistance for developing comprehensive highway safety programs at the community level.

   This involves maintaining the momentum of alcohol and occupant protection programs and expanding them to include the full range of local traffic safety programming, including emergency medical services, motorcycle safety, pedestrian safety, and so on.

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2. Provides an information system that serves the needs of people working in highway safety programs at all levels.

   Through information exchange, those who work in community agencies know who around the country is doing what, and with what results.

3. Evaluates and documents the effectiveness of highway safety technology and disseminates these findings.

   Operating from a systematic framework to describe what works and what doesn't work in highway safety countermeasures, professionals in various disciplines can continue to measure their achievements and advance the state of the art.

4. Establishes a constituency for vigorous traffic safety endeavor at all levels of government.

   A coordinated network at the national level links State and local affiliates so that organizations working at the grass roots can join in common cause on highway safety issues.

III. The Key Role of Governors' Representatives

The keystone of the partnership established by enactment of the Highway Safety Act of 1966, is the Governor's Highway Safety Representative in every State and Territory.

As envisioned by House Report 1700 accompanying the 1966 Act, the Governors' Representatives and their staffs employ relatively limited federal grant funds to stimulate innovative highway safety efforts at both State and community levels. They play a key role in identifying crash problems, establishing priorities among potential solutions, and coordinating Statewide efforts across various agencies and professional disciplines. In addition, they conduct educational activities to assure public understanding, which is critical for winning the cooperation of the mass of drivers operating on our streets and highways.

Following are examples of the crucial role played by State Highway Safety Agencies, many of whom are funded almost entirely by federal funds under Section 402.

Mississippi's Governor's Office of Highway safety has grown from a simple grants administration office to one that facilitates the functioning of the total highway safety system in the State. It has two primary goals: first, to bring about cooperative planning among agencies at the state level, and second to provide technical assistance to communities to accurately identify problems and promote cooperation among local agencies in planning solutions and allocating resources.

Arizona's Governor's Highway Safety Office launched a cooperative approach to highway safety public communications in the State. The office convened all agencies, public and private, that conduct safety campaigns. As a result, this interagency group is planning year long safety education efforts with clear roles and responsibilities based on the abilities and resources of each of the organizations.

In the State of Washington, the Office of Highway Safety has helped sixteen communities to organize tasks forces of officials and citizens to plan long-term alcohol countermeasure programs. The Office has also established Statewide networks among health care facilities for public education, including 110 centers which loan child safety seats to new parents. In addition 37 communities have mounted comprehensive educational and incentive programs to promote the use of safety belts.

In Kentucky, an investment of 402 funds to support increased law enforcement in the State's largest city has led over a four-year period to establishment of a fully comprehensive program financed exclusively from local funds.

In North Carolina, the Governor's Representative's office helped revamp the State's drunk driving laws, promoted increased enforcement, and initiated a Statewide educational program for DWI offenders, which has become self-supporting.

Utah's Governor's Representative Office was instrumental in enacting a presumptive level for drunk driving of .08 percent blood alcohol concentration, vehicle confiscation, administrative per se, a beer tax law that generates some $5.3 million per year and a DUI victim restitution law.

The Single State Agency is uniquely situated to enhance cooperation among government agencies and the private sector. In Michigan, for example, the Office of Highway Safety Planning established an Engineering Traffic Services Coordinating Committee to promote the use of modern traffic engineering principles throughout the State. By including representatives of State and local government, along with private citizens, the Committee has accelerated the improvement of numerous high accident locations, achieving corresponding decreases in casualties.

IV. Results Being Achieved

Following are examples of results being achieved in various States:

Nebraska	The death rate has declined from 5.8 deaths per 100 million vehicle miles traveled in 1966 to 2.0 in 1985. During the same period miles traveled rose from 7.5 billion to more than 12 billion. Traffic fatalities have dropped from nearly 500 per year in the early 1970's to 238 in 1985.
Missouri	In 1968 the injury rate (number of deaths and injuries per 100 million miles) was 237.6. In 1983 the rate dropped to 156.9, a reduction of 44 percent.

Arkansas	The fatality rate has been cut from 6.59 in 1966 to 3.16 in 1986. Nighttime/weekend alcohol related crashes have been reduced from 40 percent to 33 percent since 1979.
Virginia	Following enactment of mandatory child safety seats, deaths and injuries among children under five dropped by 245.
Minnesota	Expanded training and testing has reduced motorcycle fatalities from an all time high of 121 in 1980 to 62 deaths in 1984, despite increases in numbers of licensed operators and registered motorcycles.

V. Breakthroughs in State and Community Programs

In recent years several breakthroughs have been occurred in the ways that State and community highway safety programs are planned and executed.

Instead of piecemeal or shotgun approaches to planning, there are inter-disciplinary, cooperative efforts among local agencies appropriate to the complexity of crash problems. In many communities, decisions about law enforcement, judicial practices, emergency medical services, etc. are made in groups which combine agencies and professionel disciplines.

There is an increasing appreciation of the need for systematic traffic safety efforts, in that no single agency operates without considering how its activities impact other agencies.

In terms of funding, instead of simply appropriating funds from the general treasury for safety programs, communities now seek more creative methods, using fines and fees to make new safety programs financially self-sufficient.

There is greater participation of the private sector. . . not merely supporting official programs. Now corporations and citizens participate in deciding about programs and there is more reliance on private sector groups to deliver safety education programs.

VI. Critical Needs in Local Highway Safety Efforts.

With support from State highway safety agencies, communities have begun to experiment with innovations ranging from alternative sentences for convicted drunk drivers, to creative methods of self-financing of programs through fines and fees. Not only are they seeking better technical methods for improving safety, they are also implementing striking new public policy to combat the toll. These innovations include raising the drinking age, requiring the use of safety belts, banning free-drink happy hours, and so on.

There are critical needs for innovation at the community level. These include:

1. Need for more inter-agency cooperation.

2. More creative efforts to "design in" financial self-sufficiency for traffic safety programs.

3. Greater managerial sophistication among program managers in planning and operating innovative, complex programs.

4. Increasing the role of corporations in community safety efforts, not just for their resources, but as influencers of public policy.

5. Continued advocacy among citizens for firm measures and sufficient resources to do the job.

Thus, the future depends on expanding comprehensive programs, strengthening the information system that serves the people working in these programs, providing feedback on what works and doesn't work, and building networks of support.

Establishing such programs is extremely difficult. It is hard enough even to conceptualize well-integrated, self-sufficient programs in communities, let alone get them up and running. Thus, without vigorous technical assistance and start-up funding, communities are not likely to exploit the technological breakthroughs created over the past two decades.

VII. Future Challenges in Traffic Safety

Changing the way various officials and the public perceive highway safety and the way responsible agencies work together are perhaps the most crucial issues for building on these accomplishments through comprehensive community programs. Cooperating with different disciplines with competing priorities, striving for innovation, learning to manage individual agency programs as part of larger systems. . . represent tremendous challenges.

State legislators are not likely to vote appropriations on the basis of "facilitating innovation" in agencies responsible for highway safety programs. This is why the federally supported 402 program, with its emphasis on inter-agency and interdisciplinary approaches, is crucial for overcoming natural barriers to innovation. Thus, a strong Federal-State partnership is the only means for assuring catalytic leadership at all levels of government in order to achieve further significant gains.

WEDNESDAY, APRIL 23, 1986.

FEDERAL AVIATION ADMINISTRATION

WITNESS

EDWARD W. STIMPSON, PRESIDENT, GENERAL AVIATION MANUFACTURERS ASSOCIATION

Mr. LEHMAN. Mr. Stimpson?

Mr. STIMPSON. Thank you, Mr. Chairman, I will take your admonition and summarize the statement. And I also join the choir that you have heard from other aviation witnesses today, about the $3 billion in trust funds, and not referring to the authorized levels very strong feeling that entire community has that this process should work and user charge money should be spent.

We are also extremely concerned about the ambitious NAS plan and that it is being slowed by funding restrictions and cuts, NAS, I just wonder what cut this year, and next year, what it is going to mean some of these funding things in the outyears.

I guess this question is one that we are going to have to address very shortly as we go through the authorization process, and maybe some of these funding levels are going to have to be higher than we originally anticipated.

I also compliment this committee on aggressive action they have taken regarding the supplemental. I guess we are all sort of surprised how serious the numbers really are today, what should or shouldn't be.

It is certainly important that you keep the pressure on in this area, and that we keep the system going, without knocking it down either for safety purposes or restrict the flow of air commerce in the United States.

On air support development, again our position is very simple. We have got $3 billion worth of unfunded projects, and at the time we should be spending user charge money we see cuts coming into the program.

On precision landing systems, we certainly would represent that you proceed with Loran C. We also feel strongly about MLS system. Our Airport Airway Committee met in Washington last week. There were technical people looking at the system both those in the system and those who manufacture the airborne equipment. Our Airport Airways Committee seems to think strongly MLS is the right technical decision.

What we face perhaps is a transition problem, and the transition problem we face today is going to be a transportation problem ten years from now. It is hard to convert what we have today to convert to new technical decisions. Consequently, we would recommend that we go ahead with this and that there are many locations in the country where MLS can be utilized today, the airborne equipment, which is one of the questions often raised, which will certainly come down in price, it will come down in availability as ground systems become installed. Particularly at some of the regional and commuter airline and business airports around the country.

The changes to the Airport Airway Improvement Act—we certainly join the chair in opposing efforts to change the so-called penalty clause to stop interest payments of the trust fund and a higher percentage of FAA operations than authorized by law.

Previously mentioned are the efforts to again divert trust fund money to the share of the commerce and weather department money, and we certainly think that these previous commitments should be honored. I understand earlier in the hearings there were dialogues about product liability and how it affects aviations. This is probably the most severe problem facing general aviation today. The average cost of product liability for insurance for airplanes is something like $70,000 and I am pleased some members of the committee are supporting the General Aviation Tort Reform Act—H.R. 4142, which would certainly go a long ways in helping resolve this problem.

We realize that the department has sort of said air traffic controllers, inspectors, and security personnel sort of have a shield built around them, but at the same time, I would urge that continued scrutiny be given to some other important programs such as certification in the FAA. Some of these other safety functions that some of these programs don't take 12 and 14 percent cuts, while some of the other increases are being given.

Funded certification program is vitally important for application of new technology and liability of our aircraft manufacturing industry and I hope that these functions are not deferred under the threats of Gramm-Rudman.

Another very important key to aviation safety is accident investigations. It is really the key to improved safety in the future. We have been concerned about statements by the chairman of NTSB about cutting accident investigations and that function, and we would urge you to closely examine this before actions are taken in this regard, which are going to impede further investigation and really one of the most important safety steps that we can take.

Thank you.

[The prepared statement of Mr. Edward W. Stimpson follows:]

**General Aviation
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Statement of Edward W. Stimpson
President
General Aviation Manufacturers Association
on Federal Aviation Administration 1987 Budget
before the
House Appropriations Subcommittee
on Transportation
April 23, 1986

I welcome this opportunity to speak on behalf of the General Aviation Manufacturers Association about the FAA FY-87 budget request. In past years, Mr. Chairman, you and this subcommittee have worked hard at assessing the great importance and effect of the FAA's budget on safety and on the flow of commerce in these United States. I know this year will be no exception.

In light of the Gramm-Rudman-Hollings Law, your deliberations are even more important than ever. The Administrator has testified that Gramm-Rudman cuts in FY-86 were extremely difficult, and that similar cuts in FY-87 would result in restraints being placed on air commerce. All this has taken place while nearly $3 billion lies unobligated in the Aviation Trust Fund. The budget you will approve for FY-87, and subsequent budget actions by the Congress, will be the ultimate indicators of whether our current budget process and the aviation trust fund are viable. If the end result is restrained air commerce, in spite of trust fund surpluses, then changes to the aviation budgeting process - including removal of the trust fund from the unified budget - will be even more compelling.

We are extremely concerned that the ambitious NAS Plan is now being slowed down by funding restrictions and cuts. These schedule delays are of paramount concern, particularly when the users are paying 100% of the costs. The Administration budget request for FY 1987 increases the cumulative shortfall to over $2 billion for the 5 year authorization period.

Even now, the FAA may have to restrain air commerce if the $85 million supplemental appropriation is not approved very soon. We are thankful for the support this subcommittee has given this issue. We urge Congress to act promptly and positively so that the U.S. economy is not damaged by unnecessary and foolish restraints on air commerce.

Airport Development

The entire aviation community, the Congress and the FAA have long acknowledged that the goal of today's spending should be to expand the capacity and safety of the airport and air traffic system. Major amounts of R&D monies are being spent to enhance the air traffic system, but relatively little R&D money is being spent on finding ways to increase airport capacity. This may be due in part to the fact that we already know the best way of expanding airport capacity: build more airports and runways and improve the ones we already have. Unfortunately, user tax funds are not being fully utilized to meet these needs. Currently, the FAA has over three billion dollars in unfunded airport requests. Admiral Engen has repeatedly stated that the "lack of concrete" is fast becoming the number one constraint on air commerce, and that this problem will only get worse in the next ten years. The FAA's "National Plan of Integrated Airport Systems" alone has documented the need for at least $18 billion of airport money before 1993.

The need for increased airport spending is clear and well-documented; the user community is supplying the funds and has agreed on an allocation system. There is no reason that airport obligations in the FY-87 budget should not be at the fully authorized level of $1.017 billion. We urge the subcommittee to act accordingly.

Precision Landing Systems

Another way of expanding airport capacity is to make sure that existing airports can be used as efficiently as possible. Tragically, many airports do not have adequate approach systems and, hence, are not enjoying the safety or utilization they should because the weather occasionally goes below Visual-Flight-Rule minimums. When this happens, operators are often forced to divert to busy commercial hub airports, thereby increasing delay and congestion there.

Many users are now equipping with LORAN as a navigational aid. We urge the subcommittee to approve requested funds to expand this system throughout the mid-continent.

Even some airports served by commercial and commuter air carriers do not have the increased safety and reliability that a precision approach can offer. There are about 950 instrument landing systems in the U.S. today, many of which are on the same airport as other ILS's; yet there are over 5,500 public-use airports in the U.S.

The FAA has begun a program of installing at least 1,250 new Microwave Landing Systems (MLS) in the U.S. Properly placed, these new MLS's could help fill the country's need for precision landing systems. The key, however, is to place most of these first MLS's at locations that have no precision approach capability, or at airports that have an ILS with siting problems. No benefit is gained if MLS's are simply colocated with existing ILS's; yet that is where 63 percent of the first 178 MLS's will be placed.

Over two years ago, nine major aviation organizations agreed upon a siting list for 180 MLS's, some of which would be colocated with other ILS's. Since that time, even more sites have been identified. We should proceed with the funding of a placement program that could increase the safety and capacity of our air transportation system. The budget for MLS should buy at least the number the FAA can effectively install in one year.

The FAA has been firmly committed to transitioning to MLS for many years, and MLS has been adopted as the ICAO precision approach system for the future. Further delay is not justified.

We are convinced that the costs of acquiring both the ground stations and airborne MLS receivers will drop significantly as production volume increases. Users will buy an airborne receiver if it brings them a capability they couldn't get before-- the safety and reliability of a precision approach into an airport that was previously unuseable in bad weather.

Improved Weather Information

Weather is involved in about 40% of general aviation accidents. Consequently, we need to proceed with providing more timely and accurate weather information to pilots, including automated weather reporting. We urge the continued modernization of the Flight Service Station System in order to provide improved service and information.

Changes to Airport/Airway Improvement Act

The Administration's proposals for changing the Airport/Airway Improvement Act are tantamount to a further "raid" on the airport/airway trust fund. We oppose any efforts to change the so-called "penalty clause," to stop interest payments to the trust fund or to mandate a higher percent of the FAA operations budget that should come from the trust fund. We also oppose efforts by the National Weather Service to use trust fund monies for their share of NEXRAD.

Product Liability

We were encouraged by the dialogue earlier in these hearings about current liability problems facing the general aviation industry.

Product liability claims against general aviation manufacturers have become so unreasonable that the cost of insuring for product liability averaged $70,000 per aircraft in 1985, often exceeding the selling price of the aircraft. This has contributed to industry sales reaching their lowest levels in history. H.R. 4142 -- The General Aviation Tort Reform Act of 1986 -- would greatly help end this crisis. We appreciate the fact that several members of this subcommittee are cosponsoring this legislation. We trust that Congress will give this bill careful consideration.

We also support the current language to amend Section 1118 of the FAA Act so as to indemnify any commercial producer who accurately publishes a chart or map based upon FAA data that is later found to be in error. The proposed change protects the users of charts and maps from negligence, yet does not place an undue liability burden on chart producers because of purely governmental errors.

G-R-H Impact on Certification

There is another FAA program subject to G-R-H reductions which is very important to the manufacturing sector: aircraft certification. Although we do not have any indications that FAA's certification activities will be significantly curtailed during the remainder of this fiscal year, thus affecting current aircraft programs, significant future cuts could slow our development programs in the years ahead. Any substantial changes in certification activities could raise industry costs and make it more difficult for us to compete in the world market. A fully funded FAA certification program is vitally important to the application of new technology and the viability of our aircraft manufacturing industry.

Accident Investigation

Another potential impact of anticipated budget cuts on the general aviation industry was recently highlighted by NTSB Chairman Burnett. He testified before a Congressional committee that if the NTSB staff is slashed from 324 to 306, they may be able to investigate only a sample of general aviation accidents to maintain a statistical base. He added that the impact on safety "will not be good. It will have a negative effect." We have learned many significant lessons from the NTSB accident investigation programs, and strongly oppose any reduction in these activities. Safety simply cannot be compromised.

Mr. Chairman, I thank you for this opportunity to testify on these important issues. I would be happy to answer your questions.

Mr. **Lehman**. Thank you. You certainly underscored what we have heard all during the day about the problem of management in FAA.

Looking back only a few years ago FAA had a little over $200 million in the FAA account. Then we put over a billion dollars a year in it for a few years, and it is still up to about $800 million. It seems that they are having trouble trying to cope with all the money involved in the program. It just is a terrible problem to manage this kind of situation.

Mr. **Stimpson**. It is a huge program. I think it is only about second to the Apollo Space Program when that was launched—an $18 billion program over a period of time. It is a big management problem. That is why I think when this committee urges FAA to the assistance integration contract a few years ago to help them out, it was probably a good step in that direction, and it is a large management program and one that you have got many of the steps have been taken. It is easy to go out and buy radars if they are off the shelf. Some of the major changes are still ahead in the implementation of computers and advanced automation. In some of these programs the technology is getting tougher.

Mr. **Lehman**. In light of that statement, I assume you are not satisfied with the way the procurement process is moving?

Mr. **Stimpson**. I think it is like anything in a program this big. I could sit here and tell you certain horror stories of the procurement program.

Mr. **Lehman**. How about the air traffic procurement?

Mr. **Stimpson**. Yes. From that standpoint I would assure you some of my members are very disappointed that we are looking still at money that was appropriated I think as part of the FY 83 budget, and we are still some months after evidently from award of the contract and that is not a very good story of procurement. Here was a program of 19 airplanes that industry wanted to sell very badly, and still want to sell the airplanes, and to see a program take that many months I think is very unfortunate.

Mr. **Lehman**. Thank you.

Mr. **Coughlin**. Thank you, Mr. Chairman.

I was interested in the discussion of product liability earlier in the meeting today in which it was indicated that although the number of injuries and fatalities per miles traveled is declining in terms of general aviation, of course the cost of product liability is going up. I presume that is because if anything happens to anybody they automatically sue the aircraft manufacturer.

Mr. **Stimpson**. Right, and we had our best safety year last year in terms of number of accidents, fatal accidents rates, and yet our product liability costs soared and they are continuing to soar this year. That 70 average cost per plane will go considerably higher this year.

Mr. **Coughlin**. That is simply because they automatically join the manufacturer in any lawsuit?

Mr. **Stimpson**. Let me give you a case that happened in Florida recently.

Mr. **Lehman**. How about some other state?

Mr. **Stimpson**. Well, it was in Wisconsin. The accident was in Florida but it was like a 26 year old airplane. It was purchased down in Florida, sat in the rain for several days, a huge rainstorm. The pilot came out, had quick drainage sump tanks not installed by the manufacturer that were 26 years old. The pilot takes off, goes into the bay. Nobody is hurt seriously, nobody killed. He sued in Wisconsin for both the cost of the airplane, which was $13,000, plus other damages, plus punitive damages.

Well, the court awarded him $28,000, which was sort of shocking, but no punitive damages. It was appealed. The Court of Appeals in Wisconsin said retrial on punitive damages. A judgment came down against Cessna about three weeks ago for a million dollars in punitive damages because they had not updated the 26 year old manual to tell people how to drain water out of their tanks. These are the kind of things that are causing the problem.

Mr. Coughlin. Thank you.

Mr. Lehman. Not just airplanes.

Mr. Stimpson. It is a combination. It is not a simple problem. It is a tort reform problem, and of course, one of the real questions we have, if you are in an accident, there are fewer product liability suits. That is why we are so hep on increasing aviation safety.

Mr. Lehman. How about drafting a federal statute for taking care of all this tort situation that we have? Do you think it should be handled at the federal level?

Mr. Stimpson. We, H.R. 4142 is a regulation that the federal government has in aviation, and like any other industry, and this is why we feel strongly there needs to be uniform standards for general aviation accidents.

Thank you.

Wednesday, April 23, 1986.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

WITNESS

GEORGE L. JOHNSON, PAST CHAIRPERSON, NATIONAL COUNCIL OF STATE EMERGENCY MEDICAL SERVICES TRAINING COORDINATORS, INC.

Mr. Lehman. Mr. Johnson.

Mr. Johnson. Thank you sir.

Good afternoon, ladies and gentleman, my name is George, Johnson, I am here to press the strong support of the National Council of State Emergency Medical Services Training Coordinators for the continuance of section 402 and 403 funding to the Department of Transportation National Highway Traffic Safety Administration, emergency medical service Division.

I will, as you suggest, keep my comments rather brief because we did submit our paper several days ago. I will share with you a little bit of our concerns with the funding for training of emergency medical service personnel.

Our council represents the training interests and concerns of every emergency medical service agency. Our purpose is to promote the training of emergency medical service personnel based on sound educational principles and current medical practice.

Further, the council seeks nationwide standardization of training curriculum certification, reasserted standards, those things that have traditionally been benefitting from the 402 funding.

Since the inception of the 402 funding programs training has been a focus for utilization of these funds in a number of states.

Originally, our concern for training was for sheer numbers, for getting numbers of trained emergency medical service personnel out there. It has worked. We have numbers of people out there that are trained to a minimal level. There is now a need to refine this training, to improve the quality of training, to ensure access to training for the personnel in the rural areas where we still desperately need some training, and more specifically to focus on training our emergency medical service personnel to better handle, better treat the trauma patient, those people who are injured on the highways.

Some examples of the way 402 funds have been utilized is to improve the assessibility of training. In Idaho, for example, they have a concept of audiovisual teleconferencing which brings the training programs to the rural areas.

Texas has a system of using remote training institutes to get the training programs to the rural areas.

Montana has a mobile training unit that brings the training out to the folks in the country, and each of these efforts relies on 402 funding.

With respect to trauma care, many, many states are focusing on improved training. We are learning more about treating the trauma patient, what we can do to improve the chances of survival and to reduce the morbidity of an accident on the victim. Critical trauma courses are being offered around the country and improving the training of emergency medical service personnel.

For the reasons that I have very briefly summarized, the states can ill afford the loss of 402 funding and our council strongly urges that you continue to fund the 402 programs.

To briefly look at the effect of 403 funding, the second portion of our council charter is to have standardized quality training around the country and 403 funds have been used to develop curriculums for training for all levels of emergency medical service personnel, and these funds are still needed to update, upgrade, the training courses which are becoming the standard for care, standard for training on a national basis. The Department of Transportation National Highway Traffic Safety Administration has produced more than 20 curriculums in the past and they are working on new ones that are again improving training.

With the new voluntary standard setting process, again, which was sponsored by the National Highway Traffic Safety Administration, eventually consumers will help to set the standards, but we still need someone to develop the training program, we need 403 funding and the effort of the National Highway Traffic Safety Administration to refine the curriculums.

With that, I will end my comments. You have our paper, and I will be glad to respond to any questions you may have.

[The prepared statement of Mr. George L. Johnson follows:]

NATIONAL COUNCIL OF STATE EMERGENCY MEDICAL SERVICES TRAINING COORDINATORS, INC.

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TESTIMONY PRESENTED BY:

GEORGE L. JOHNSON, PAST CHAIRPERSON

ON BEHALF OF:

THE NATIONAL COUNCIL OF STATE EMERGENCY
MEDICAL SERVICES TRAINING COORDINATORS, INC.

APRIL 23, 1986

Good afternoon, ladies and gentlemen, my name is George Johnson and I am here to express the strong support of the National Council of State Emergency Medical Services Training Coordinators for the continuance of Section 402 and 403 funds to the Department of Transportation, National Highway Traffic Safety Administration, EMS Division. The Council represents the training interests and concerns of every state lead EMS agency. Our purpose is to promote the training of EMS personnel based on sound educational principles and current medical knowledge and practice. Further, the Council seeks the nationwide standardization of training curricula; certification/recertification policies and procedures; the reciprocity of certification from state to state; and the public recognition and trust of prehospital EMS personnel as health care professionals.

Allow me to discuss how both Section 402 and 403 funding has helped us in the furtherance of our goals in the past and why we believe its continuation is critical for the future. Since the inception of the 402 funding program, training has been a primary focus for the utilization of those funds in a number of states. Originally our concern was for sheer numbers of appropriately trained personnel to provide care for those who were injured on the nation's highways.

In the beginning we started with no manpower what so ever. The transition from non-trained attendents moonlighting with a hearse as an ambulance to one of highly skill technicians applying the science of medicine on dark cold highways required a massive training effort. 402 funds played a significant role in

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assisting with the transition from unskilled and deleterious handling of the victim to the skilled care which patient's have now come to expect and, surely deserve.

Now that the numbers are there and a manpower base exists we see 402 funds being used in a variety of other training applications. We see those funds being applied to: increase the quality of training; ensuring access to training, particularly in rural locations where it is still desperately needed; and to focus on the more specific needs of the trauma patient. Let me provide an example of each of these applications.

Increased quality has, and is continuing to be achieved, in a number of ways. First there a number of states whose examination and certification process for EMS personnel was designed through this funding. Appropriate training and performance can only be measured through appropriate testing and recognition. Secondly 402 funds have been applied in states like Idaho and Montana in efforts to scientifically determine whether certain technological applications, such as computer interactive training, produce more highly skilled technicians than those trained by more conventional means. This effort to improve quality has and will continue to improve the level of care received by those who fall suddenly ill from either disease or trauma processes.

The provision of emergency medical care varies greatly from the urban to the rural environment. In urban centers, distances are measured in blocks, response times are short, manpower is plentiful and specialty trauma centers are readily available. In the rural environment the knowledge and skills of the emergency medical services personnel, whether they be First Responder, Emergency Medical Technicians or EMT-Paramedics becomes paramount to the outcome of those in need of care. The distances are great and the resources are few. While appropriate training is fundamental in all settings, it is acute in the rural environment. Unfortunately, where training is often needed the most, it is sometimes the most difficult to find. 402 funds have been applied to increase the accessability of training through a number of different methods. In Idaho the concept of audio visual teleconferencing can bring the newest treatment techniques to virtually every EMT in the state in a matter of a few hours. In Texas the rural dilemma is being resolved by the channelling of 402 funds to remote teaching institutions who are training EMTs in rural settings. They are likewise using a modular approach to allow the personnel to continue to advance their knowledge and skills and to one day become EMT-Paramedics. In Montana there is currently a replication of a study which takes the training to remote locations via a highly sophisticated van known as the mobile trauma training unit. Each of the efforts briefly outlined here are attempts to overcome the problems faced in a rural environment and all are dependent upon 402 funds.

In states on each side of the country and many places in between, the focus has turned to the increase of EMS personnel's knowledge and skills in trauma. This effort will certainly have a significant impact in the eventual outcome of those persons who are injured on the nation's highways. This has always been one of the primary focuses in NHTSA and must continue. These Critical Trauma Care courses are being funded in at least two locations with 402 funds and is but one example of the specialty training programs which are reducing death and disability across the country. Others include crash victim extrication, aeromedical evacuation and specialized pediatric care.

For the reasons summarized above the training of personnel in individual states can ill afford the loss or reduction of 402 funds. The National Council of State EMS Training Coordinators strongly urges you to continue to fund this essential program.

Let me turn now to the Section 403 program. Lest we forget, the second portion of the Council's Constitutional charge relates to the standardization of training throughout the nation. When the Council was first formed in 1977, the variation and diversity of, training for EMS personnel was appalling. While there were islands of excellence, there were also vast seas of mediocrity. In an area as important as treating a critically injured motor vehicle accident victim, mediocrity simply isn't acceptable.

NHTSA and the EMS Division have demonstrated a strong commitment in reducing this mediocrity in training by the development and distribution of quality training curricula through 403 funds. They have become the singular focal point for nationally recognized and accepted training programs for EMS personnel. With the publication of the first training program for Emergency Medical Technicians in 1969 NHTSA established itself as the leader in the development of quality training materials.

This leadership has continued now for nearly two decades. With input from the appropriate agencies, organizations, and individuals who use the training curricula, NHTSA has developed and revised a number of training materials for all levels of EMS from First Responder to EMT-Paramedic. All in all, NHTSA has produced more than twenty curricula in the past and currently is working on several others. Each of these training programs is critical and each and every one of them has saved American lives.

The production of these materials has resulted, to a large degree, in the standardization which the National Council has and continues to seek. While NHTSA has not forced these documents on any jurisdiction as being mandated standards, they have been of sufficiently high quality that they have been accepted as "ipso facto" standards. Without this centralizing focal point the mediocrity and disparity would be as great or greater today than when the Council initially began to address this critical issue.

Without DOT's continued presence in the EMS training arena much of the progress which has been made will be quickly lost.

While we realize that through the ASTM voluntary standard setting process, we the consumers of EMS will eventually set the standards for training and all other aspects of Emergency Medical Services. For the forseeable future we feel strongly that the EMS Division of NHTSA will have a vital role to play in the establishment and continued maintenance of high quality training goals. This can only be accomplished by their continued development and refinement of quality training products with Section 403 funds.

Again we urge you to continue to support the efforts of DOT, NHTSA and the EMS Division with the maintenance of funding under sections 402 and 403. While the Council's focus is primarily on training, we also support the myriad of other activities which are influenced by these funds. We support the efforts which will be outlined by our collegue from the Nationa Association of State EMS Directors, Ms. Susan McHenry who you will hear from shortly.

On behalf of the National Council of State Emergency Medical Services Training Coordinators, I would like to take this opportunity to thank you for allowing me to speak before you today and once again urge you to support the continuance of 402 and 403 funding. When you or your loved one is lying in a ditch near your wrecked automobile, wouldn't you like to have a well trained and competent individual provide life saving care?

Respectfully Submitted,

George L. Johnson, Past Chairperson, NCSEMSTC

Mr. **Lehman**. In regard to your training, emergency medical service is not exactly synonymous with trauma because you could have emergency medical service that results from a heart attack or something like that. You train them for any kind of medical emergency regardless of whether trauma means accident.

Mr. **Johnson**. Exactly.

Mr. **Lehman**. Heart attack isn't trauma?

Mr. **Johnson**. No.

Mr. **Lehman**. But you train people across the board for whatever has to be dealt with?

Mr. **Johnson**. Yes, our training programs encompass the field. Anything that may happen to a person whether it be from illness or injury. Recently we are learning that there are ways to improve the care of trauma patients and there are new focuses on the care of trauma patients which are being addressed today.

Mr. **Lehman**. A person could have a stroke, and it would still be an emergency medical?

Mr. **Johnson**. Yes sir.

Mr. **Coughlin**. No questions.

Thank you for a very good paper.

Wednesday, April 23, 1986.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

WITNESS

DR. WILLIAM C. DEMENT, PRESIDENT, ASSOCIATION OF SLEEP DISORDERS CENTERS

Mr. **Lehman**. Dr. Dement. This ought to be interesting.

Dr. **Dement**. Thank you, Chairman Lehman. I am grateful for this opportunity.

Mr. **Lehman**. What does this have to do with transportation?

Dr. **Dement**. You will see.

As a matter of fact, gentlemen, I flew here overnight from California and I thought of a new approach to explain, to tell you what I want to explain. We are all talking about the debt. This has to do about the national sleep debt. The debt right now is about a million hours. We are trying to make the public aware of some simple facts about sleep that we think everyone ought to know.

It is very, very important with regard to traffic safety. Now, this just happens to be a poster of National Sleep and Health Awareness Week. I am president of the Association of Professional Sleep Societies.

This has about 2,000 members now. We are meeting in Columbus June 15 to 21 and we have declared that National Sleep and Health Awareness Week to have a flood of information to the public.

Now, the thing that I think is the most important—I thought I would bring a poster to show this, is that people need more sleep than they think. The neurochemical apparatus of the brain keeps track of the debt.

So if you take the average high school senior we now can measure the sleep debt scientifically. We know that the average high school senior needs ten hours of sleep a night and we know that he spends less than seven hours in bed. So he is accumulating a debt of three hours every night.

The brain keeps track of that day after day after day. The debt builds up. It is there.

I have a debt right now because I flew overnight. The way you feel does not reflect that. So you can have a debt like I do now that I feel very alert because I am testifying and I am sort of reved up but if I go sit behind the wheel of a car I can suddenly, this pressure to sleep which has built up will cause me to go to sleep, to crash in effect.

As we measure this, we find almost all American citizens are somewhere in this level because they don't get enough sleep. They can get up here to these dangerous levels.

Now, the important thing is you don't know your debt from the way you feel. There are three ways this sort of going to sleep inappropriately can occur.

Number one is getting inadequate sleep. The American public does not know how much sleep they need. You build up the debt.

Number two, as we get older, our sleep is interrupted. Number three is drugs and alcohol interact with this sleep debt.

So if you are at that dangerous level and you have one drink that can push you over the limit.

It is like pressure behind a dam. Sometimes a dam develops cracks, sometimes water goes over the dam. If you sleep enough you make up the debt and you are less likely to fall asleep at an inappropriate time.

Finally, there are illnesses that cause inappropriate sleep. They cause them mainly by interrupting sleep. These illnesses are severe insomnia, narcolepsy and sleep apnea. The last is failure to breathe and you have to wake up failing to breathe hundreds of times at night.

The average citizen over the age of 60 awakens 150 times a night and sleepiness during the daytime tends to increase. I want to tell you a couple of things.

Sixty-nine percent of the one and two-car accidents, as you know, are alcohol-related. Thirty-one percent are probably sleep related and then sleepiness and alcohol interact.

So I think sleep debt accounts for many more accidents than we think. In California last year there were 4,497 traffic fatalities and 44.7 percent were one-car accidents. People get into a car and they don't know how sleepy they are until it is too late.

There are 20 to 30,000 patients coming to sleep disorder centers all over the United States because of inappropriate sleep episodes. What we need is a program of education about sleep, the proper amount of sleep and how sleep loss effects accumulate and interact with drugs and alcohol and most of all we need to realize that being sleepy on the highway is just as dangerous as being drunk.

Sleepiness is not directly caused by boredom or monotony. It is directly caused by sleep loss or not getting adequate sleep. So National Sleep and Health Awareness Week will take a giant step forward by making the public aware of these issues and we feel this should be recognized and supported by all agencies of the government.

I would like to request that your subcommittee address this concern in the Committee report that will accompany your fiscal year 1987 appropriations bill. We are not requesting any additional money, but believe that within the safety activities currently being conducted at the Department of Transportation, the phenomena of sleep related accidents stemming from inadequate sleep, from treatable medical conditions or alcohol and drug related sleep problems warrant some action by the Department in the realm of public awareness.

The Department should join with recognized sleep experts in those efforts. I thank you very much for your attention. If you have any questions.

[The prepared statement of Dr. William C. Dement follows:]

ASSOCIATION OF SLEEP DISORDERS CENTERS

TESTIMONY OF

WILLIAM C. DEMENT, M.D., PH.D
PRESIDENT
ASSOCIATION OF SLEEP DISORDERS CENTERS
DEL MAR, CALIFORNIA

PRESENTED BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

CONCERNING

SLEEP RELATED TRANSPORTATION ISSUES

APRIL 23, 1986

Mr. Chairman and members of the Subcommittee:

I am William C. Dement, M.D., Ph.D., Director of the Sleep Disorders Center at Stanford University School of Medicine and President of the Association of Sleep Disorders Centers, a national organization representing over 1,000 clinical specialists working at some 125 diagnostic treatment facilities situated at medical schools, hospitals, and other medical facilities throughout the United States.

A growing concern among my colleagues and myself has been the number of accidents, injuries, and fatalities that occur each year because persons who operate machinery, automobiles and trucks, pilot airplanes or trains are falling asleep at the wheel. Sleepiness or sleeplessness is a major problem with a large part of our nation. In most cases, the conditions that exist are medically treatable. Sleep Apnea and Narcolepsy, conditions which disturb normal sleep during the night render a person sleepy, un-alert, and at risk to fall asleep while operating a vehicle. The problem is enormous. Here are some pertinent facts about Americans falling asleep at the wheel:

o Clinical data indicate that falling asleep at the wheel is, second only to alcohol, the most common cause of one- and two-car accidents. Statistics implicate alcohol in 69 percent of fatal one- and two-car accidents. However, 31 percent cannot be explained by alcohol. In fact, in California in 1984, there a was total of 4,497 fatal accidents. Of those fatal accidents 44.7% involved single car tragedies. People are falling alseep at the wheel.

- The most common medical causes of involuntary sleep at inappropriate times are sleep apnea and narcolepsy. About 25 million American adults suffer from these conditions.

- Between 10 million and 20 million Americans use sleeping pills. These pills reduce alertness and promote sleep, and their effects can last throughout the day.

- One of the first things doctors prescribe for patients who cannot stay awake is to quit alcohol and sedating drugs. Even in small amounts, such substances greatly aggravate the symptoms of excessive somnolence and lapses in attention.

- The average sleep disorders center sees five new patients a week for the problem of involuntarily falling asleep at inappropriate times. A car accident is often the reason a somnolent patient seeks medical help. We calculate that 20,000 to 30,000 patients seek treatment each year for symptoms that place them at risk of falling asleep while driving. Fortunately, these conditions are successfully treated, once specialists diagnose the underlying cause.

Falling asleep at inappropriate times, such as while driving a car is obviously a lethal and intoleralbe risk for the individual and for society. Moreover, inappropriate sleep is a sign of several life-threatening, yet treatable medical conditions.

I would like to request your subcommittee address this concern in the Committee Report that will accompany your FY'87 Appropriations Bill. We are not requesting any additional money, but believe that within the safety activities currently being conducted at the Department of Transportation, the phenomenon of sleep related accidents stemming from lack of sleep from a treatable medical condition or an alcohol exacerbated sleep problem, does warrant some action by the Department in the realm of public awareness. Perhaps the Department could also assist in the compilation and collection of data.

Mr. Chairman, thank you for the opportunity to present the views of the Association of Sleep Disorders Centers. I am pleased to respond to any questions you now have, and further offer our organization as a resource in your Committee's future efforts to combat sleep related tragedies in our nation's transportation system.

Mr. LEHMAN. You said you are not asking for any additional funds.

Are you getting funds at the present time?

Dr. DEMENT. Our community and I personally have funds for basic sleep research. We do not have funds——

Mr. LEHMAN. From where?

Dr. DEMENT. The National Institute on Aging, the National Institute of Mental Health.

Mr. LEHMAN. But not from the National Highway Traffic Safety Administration.

Dr. DEMENT. No, not at all.

Mr. LEHMAN. Are you asking for us to have them provide funds for you?

Dr. DEMENT. No. There are many educational campaigns going on. I am asking you to ask them to include sleep experts in this and to make the public aware of the danger of being sleepy on the road.

Mr. LEHMAN. Ten hours for high school seniors. How about people of my age or Mr. Coughlin's age?

Dr. DEMENT. It is more variable. I have a feeling you probably are a dynamo and only need four hours of sleep, but in general I would say seven to eight hours. At every age it is more than people think.

Mr. LEHMAN. I sleep three hours and have to get up and then sleep three or four more hours.

Dr. DEMENT. I certainly am impressed you are able to sit there all day and pay attention to people like me.

Mr. LEHMAN. I have been asleep.

Dr. DEMENT. If I can make one last comment.

Mr. LEHMAN. Let me ask you one question. You say you get behind on sleep. Can you catch up?

Dr. DEMENT. Yes. The way you reduce the sleep debt, of course, is to sleep more.

Mr. LEHMAN. In other words, if I would have four hours sleep one night then I should try to get an extra hour or two each night for awhile until I catch up.

Dr. DEMENT. Yes. I have information about the schedules of bus drivers, truck drivers, nuclear couriers, pilots and on and on. It is horrendous and they don't understand that they are vulnerable. That is the important thing.

Mr. LEHMAN. How about President Reagan?

Dr. DEMENT. I have heard rumors. I have not studied it directly.

Mr. LEHMAN. That is off the record.

Mr. Coughlin.

Mr. COUGHLIN. No questions, Mr. Chairman.

Mr. LEHMAN. Thank you very much. Would you give me something about that waking up 150 times a night? Have you written any books?

Dr. DEMENT. Yes. I will be very, very pleased to send you some additional material.

Mr. LEHMAN. Thank you very much.

I am sorry you had to wait so long.

Dr. DEMENT. I am not sorry at all. I am pleased.

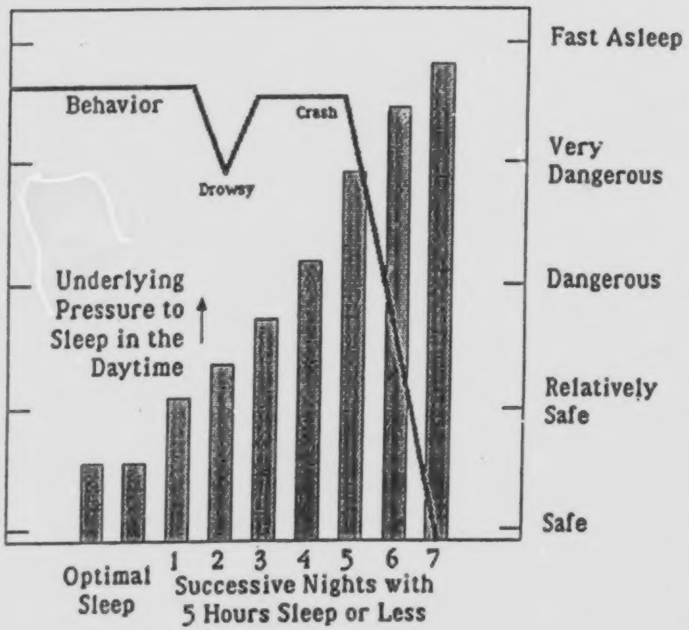
Mr. **Lehman**. This is a very fascinating subject. Sleep is such a part of the mind that it was very interesting.

Dr. **Dement**. Thank you very much.

[The following additional information was provided to the Committee:]

Most Americans do not fully realize that the effect of sleep loss precisely accumulates with each successive night. Even when we have exactly the same amount of sleep each night, if it is less than we need, the pressure to sleep builds up progressively. It does not dissipate over time. The way we consciously feel is not a reliable gauge of the underlying pressure to sleep. If the pressure to sleep is very great, we can be overwhelmed with sleepiness in seconds even when we feel alert. This is most likely to happen when we are caught off guard, like when we are driving a car or watching television. In other words, we feel alert because of excitement or activity, but the pressure to sleep is too high. We relax behind the wheel, we suddenly become sleepy, and we crash. The fact that crash and falling asleep are synonymous, is entirely appropriate. The causes of dangerous sleepiness are (a) not enough sleep at night, (b) frequent brief interruptions of sleep, and (c) illnesses such as narcolepsy and sleep apnea. The latter is treatable. Undiagnosed victims probably number in the millions.

THE SLEEP DEBT



WEDNESDAY, APRIL 23, 1986.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

WITNESS

SUSAN D. McHENRY, CHAIRMAN, GOVERNMENT AFFAIRS COMMITTEE, THE NATIONAL ASSOCIATION OF STATE EMERGENCY MEDICAL SERVICES DIRECTORS

Mr. LEHMAN. Who is next? Susan McHenry.

Ms. McHENRY. Good afternoon, Mr. Chairman, and Mr. Coughlin. Good to see you again. I am Susan McHenry and I am here representing the National Association of State Emergency Medical Services Directors. I am serving as the Director of Emergency Medical Services for the great Commonwealth of Virginia just to our south.

I got a little nervous by the comments of this last speaker. In the last ten years I have been state director in Virginia. With the hours that I put in I don't think I will ever pay my debt so I might as well give up.

I am here with you today just to share a few comments and thoughts about the funding for the highway safety program in our country and its support of emergency medical services.

It has had I think quite a strong history of support for emergency medical care since its inception in 1966. We saw even an increased feasibility for leadership in EMS in 1973 when the system act was was passed by Congress and saw an increasing role on the part of the Department of Health and Human Services.

Unfortunately, since that program went to a block grant in 1981 and because of some changes in priorities in highway safety I think since 1981 or in the last five years we have seen a rather frightening decrease in federal support for emergency medical services.

I believe that just in the recent past, though, the National Highway Traffic Safety Administration has clearly established EMS as a priority highway safety counter-measure and has expressed that in a number of different ways.

We find it rather unfortunate that that is not always translated down to the state level where the decisions are made on how those 402 dollars are going to be allocated to various programs.

We have just recently, in fact earlier this month, done another quick survey of all of our counterparts across the country to see what level of support they did get this year from the highway safety funding.

As you recall, two years ago you included language in your committee report expressing your intent that at least $13.5 million of the 402 funding go to emergency medical services or approximately 11 percent of that appropriation.

In our reports from my counterparts across the country for fiscal year 1986, approximately 5.1 percent or less than half of what you had suggested went to emergency medical services at the state level.

Apparently, from information that we have received from NHTSA an additional 3.5 percent of that total allocation has gone to local EMS projects or to projects such as helicopter purchase where the helicopter may be used for both emergency medical services and law enforcement functions.

So it can certainly bring some benefit to the EMS system. But this is still far below what your original intent was or your stated intent two years ago. We would like to request that you at least maintain the current level of funding for the 402 program overall and would further like to request that if you feel the same way that you did two years ago that you restate your intent of the level of support you would like to see EMS receive from this because I think it will be an additional reminder to the states' highway safety governors' reps to help them realize what level of importance you place on this program.

We have seen some improvement in the level of support, in the level of interest on the part of the governors' reps, the highway safety governors' reps, and we have had a couple of special efforts over the last year to work with them to help improve the overall relationship because we realize it is a two-way street and we can't expect them to give everything to us, that we need to work closely with them, too.

We would also like to request that you emphasize the need for flexibility in the funds that are available for EMS through this program because each state has its own particular needs and its own particular strengths and we would like to see the money be able to be used in the way it can best benefit the people in that particular state.

Just one example of the project that I think really has a need or place in our system is the development of statewide trauma registries that can begin to give us the data we need to make sure our patients are being appropriately transported to those trauma centers that are best equipped and staffed to provide the care that they need.

We are currently in Virginia receiving some highway safety funding that is helping us to develop a state-wide trauma registry of that nature.

We would also like to recommend at least the current level of support for the 403 demonstration projects in emergency medical services and hopefully an increase in that level of support because clearly those demonstration projects have benefitted all of us across the country.

We would like to have a little more input in the types of demonstration projects that would be funded because we feel that as the state EMS directors across the country that we clearly have the responsibility to carry out those programs once they are put in place and we would like to have a little more input in the decisions on how the money will be spent.

I would like to further commend this committee for its effort in regard to the "Injury in America" report and your effort to help obtain some funding to carry out some of the recommendations in that report.

We know that in the work we have done over the last 20 years or so that there are still many questions that are unanswered and we believe that additional research and evaluation of trauma care in particular and emergency medical services care in general could be extremely helpful to us in better defining what our projects are and what our real priorities are with the work that we do in the future.

I would also like to bring to your attention just briefly that the GAO has just completed a report that was done at the request of Senators Kennedy and Cranston to look at the health of EMS across the country, most particularly to view it in terms of changes that might have taken place since the categorical EMS funding went out and the block grant funding went in, but also taking a look at the highway safety support and other levels of federal support for EMS.

I think they have had some rather interesting findings and I believe it was just earlier this month they presented their report to those two senators.

So that may be information that would be helpful to you. I would like to urge your continued support of this program.

We can't afford to see a deterioration of the systems that were developed under the earlier years when we had a higher level of support at the federal level and we would really like to continue to improve those systems.

My colleagues and I across the country are very committed to constantly and continuously improving emergency medical care and particularly of late improving our trauma care systems because that is a renewed emphasis in that area.

But it is a whole lot easier for us to do that and we can devote much more of our energies to those improvements if we don't have to spend so much of our time scraping for the money that it is going to take to do it so any level of support that you can lend us would be greatly appreciated and again on behalf of my colleagues across the country I would like to thank you and your committee members for your high level of interest and support in emergency medical care because we believe it really makes a difference to our public out there and it is really a pleasure to serve them.

[The prepared statement of Ms. Susan D. McHenry follows:]

TESTIMONY OF THE NATIONAL ASSOCIATION OF STATE EMERGENCY MEDICAL SERVICES DIRECTORS

TO THE

SUBCOMMITTEE ON TRANSPORTATION

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

APRIL 23, 1986

Mr. Chairman and members of the Subcommittee, my name is Susan D. McHenry and I am here today representing the National Association of State Emergency Medical Services Directors. My other role is that of Director of the Division of Emergency Medical Services in Virginia.

The National Association of State Emergency Medical Services Directors is composed of the director of the lead emergency medical services agency in each state, the District of Columbia, and the U.S. territories. Each of these agencies has the responsibility for the development of emergency medical services in their respective state or territory, as well as for licensing and inspecting ambulances, certifying emergency medical services personnel, and other activities related to maintaining minimum standards for prehospital emergency care.

As an Association, one of our purposes is to ensure continued support for the ongoing development of emergency medical services by working with the federal government. It is in this vein that I want to take the opportunity to present our views on the appropriations for the National Highway Traffic Safety Administration now being considered by your Subcommittee.

Beginning with the Highway Safety Act in 1966, the Department of Transportation has recognized the importance of emergency medical services to highway safety and, over the years, has assumed a much needed leadership role in this area. The early 1970's saw the passage of the Emergency Medical Services Act which heralded a major national effort to improve emergency medical services in this country. This program, administered by the Department of Health and Human Services, supplemented the ongoing work of the Department of Transportation. The changes stemming from this national movement are evident to some degree in virtually every community across this country.

Unfortunately, in recent years, emergency medical services has been pushed into the back seat at the federal level. We must ask why. Trauma continues to be a leading cause of death in this country for those under the age of 40. Of particular concern to the Subcommittee on Transportation should be the fact that about half of all severe trauma is caused by motor vehicle accidents.

While EMS has been identified as a priority highway safety countermeasure and the National Highway Traffic Safety Administration has articulated increased support in this area, one of the major problems has been that this sense of priority and importance has not flowed through to the state program level where the decisions regarding the allocation of 402 funds are made. The priorities of the state highway safety representative in many states have been passenger restraints and drunk driving, often to the exclusion of any significant activity in emergency medical services.

The National Association of State EMS Directors was extremely pleased to see the Congress state its intent in the conference reports accompanying the FY 1985 Continuing Resolution for the Department of Transportation that $13.5 million of 402 funds be spent for emergency medical services. Over the past 18 months my colleagues and I have noticed a change in attitude about spending 402 dollars on EMS. No doubt this is as a direct result of the recent emphasis placed on EMS, and on trauma in particular, by this Subcommittee as well as an increased effort on the part of the NHTSA.

Even with this renewed emphasis, it does not appear that the level of 402 funding allocated to EMS across the country has reached the level of funding intended by Congress. We surveyed our membership the first week of April and found that for FY 1986 an average of 5.1 percent of the 402 funds awarded to a state were being directed to EMS projects at the state level. NHTSA figures indicate that an additional 3.5 percent was allocated to local EMS projects or possibly to such shared projects as the purchase of a helicopter for both law enforcement and EMS missions. Combined, these reports would indicate that at a maximum, 8.7 million was allocated to EMS. Seventeen of the 54 state and territorial EMS directors responding to our survey indicated that they did not receive any 402 funds in FY 1986.

While it is evident that the intent of Congress with regard to the allocation of 402 funds for EMS has been only partially met, we recognize that a shift in priorities and attitudes requires time. As I mentioned earlier, we have seen a greater willingness of the governors' highway safety representatives to fund EMS projects.

Consequently, the National Association of State EMS Directors is not asking for funds to be earmarked for EMS, but would request that the overall level of 402 funding be maintained and that this Subcommittee recommend that language be included in the appropriations bill once again stating the intent that 402 funds be used for EMS.

With regard to the utilization of 402 funds for emergency medical services purposes, there is a need to allow states the flexibility to address their own particular problems and priorities. States and communities within each state are at varying levels of development, and as a result have different needs. Furthermore, most state governments have assumed a strong role in EMS development and have appropriated some funds for this purpose. These monies are being applied by states to address critical deficiencies. To be effective and useful, federal funds must be available to supplement state funds and to fill in the gaps. It is no longer appropriate to restrict funding to certain aspects of EMS or to place such a high priority on one area that funding for other areas is virtually precluded. The development of a trauma registry is an example of a project that needs attention in most every state, but one for which state EMS agencies have a difficult time obtaining state funding. Federal 402 funds could be used effectively to meet this need.

Two specific efforts are underway to further improve the relationships between EMS and highway safety at the state level. NHTSA has funded a joint project between the National Association of Governors Highway Safety Representatives and our Association to determine the most accurate measurement of the effectiveness of EMS relative to highway safety. Also, a few state EMS directors have been instrumental in convening regional meetings of state EMS directors and state highway safety representatives to discuss common interests, share ideas, and explore opportunities for joint efforts.

At the national level, the 403 funds appropriated to the National Highway Traffic Safety Administration are an example of monies whose ultimate effect is much greater than the actual dollar amount would indicate. They serve as an important source of support for nationwide studies, demonstration projects and other such projects of a national interest. The information and results from these projects are made available so that all states can benefit from them. Because of the importance of the 403 funds to the further development of EMS, the National Association of State EMS Directors recommends that the amount of 403 funds appropriated to the NHTSA for EMS projects be increased in FY 1987.

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As our emergency medical services systems and programs at the state and local levels become more sophisticated, there is a need for greater coordination. This is one of the major reasons for the existence of our Association. But, it is just as important that this coordination take place within the federal government where there are many agencies and departments with either a direct or peripheral interest in EMS. We are very pleased that the Federal Interagency Committee on EMS has been re-established and we are anxious and willing to work with the Committee in any way possible.

Finally, as our EMS systems mature, we become more and more aware of the many questions that are as yet unanswered. Many of those questions can only be answered through sound research and evaluation. We commend you for your initial effort to provide funding to address the recommendations contained in the recent report "Injury in America". There is a critical need for research in trauma. We would urge your continuing support of this important effort.

While the major effort of the 1970's produced some significant imporvements in emergency medical services nationwide, the work is not done--not every community has an efficient and effective emergency medical services system. This is particularly true in rural areas where much of the service is provided by dedicated volunteers. Development of comprehensive emergency medical services systems takes time, and we find that communities are ready to take this step forward at different times. The scarcity of resources and the need to develop liaison with urban areas often complicates the development of rural systems adding to the length of time needed to fully develop them. Furthermore, it is essential that action be taken to ensure that EMS systems already developed remain up-to-date with current medical knowledge and technology. We cannot afford to let EMS fall once again into disrepair in hopes of later salvaging it with another national effort.

Respectively Submitted,

Susan D. McHenry

Susan D. McHenry
Past President
National Association of
State EMS Directors
P. O. Box 11910
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National Association of State Emergency Medical Services Directors
Highway Safety 402 Funding By State
FY 1986

State	Total 402 Monies	402 Monies Requested for EMS	402 Monies Allocated to EMS	Percent of Total	Do you Anticipate Applying Next Year
Alabama	1,829,490	60,000	60,000*	3.3	yes
Alaska	515,869	-0-	-0-	-0-	yes
Arizona	1,372,589	-0-	-0-	-0-	no
Arkansas	1,237,150	15,000	-0-	-0-	yes
California	8,836,591	-0-	-0-*	-0-	?
Colorado	1,428,971	102,600	102,600*	7.2	yes
Connecticut	1,140,298	185,000	150,000	13.1	yes
Delaware	515,869	-0-	-0-*	-0-	no
Dist. of Columbia	515,869	210,000	92,000	17.8	yes
Florida	3,815,236	-0-	-0-*	-0-	yes
Georgia	2,456,676	-0-	-0-	-0-	no
Hawaii	515,869	60,000	-0-*	-0-	yes
Idaho	744,755	61,000	61,000	8.2	yes
Illinois	4,590,389	77,300	85,000*	1.8	yes
Indiana	2,376,778	400,000	400,000	16.8	yes
Iowa	1,666,900	12,500	-0-*	-0-	no
Kansas	1,613,221	106,884	106,884	6.6	yes
Kentucky	1,637,264	-0-	-0-	-0-	no
Louisiana	1,744,151	60,000	-0-	-0-	yes
Maine	515,869	395,000	161,500	31.3	yes
Maryland	1,552,349	123,000	98,000	6.3	yes
Massachusetts	2,090,242	130,000	50,000	2.4	yes
Michigan	3,774,878	52,000	52,000	1.4	yes
Minnesota	2,136,581	201,000	201,000*	9.4	yes
Mississippi	1,277,063	-0-	-0-*	-0-	no
Missouri	2,362,954	250,000	250,000	10.6	yes
Montana	711,562	-0-	-0-*	-0-	no
Nebraska	1,097,364	72,500	4,500	.4	yes
Nevada	540,244	38,000	38,000	7.0	yes
New Hampshire	515,869	-0-	-0-*	-0-	no
New Jersey	2,622,936	150,000	150,000	5.7	yes
New Mexico	768,087	-0-	12,000	1.6	yes
New York	6,438,091	1,000,000	390,000*	6.1	yes
North Carolina	2,512,096	500,000	170,000*	6.8	yes
North Dakota	759,806	100,000	100,000*	13.2	yes
Ohio	4,246,578	385,000	385,000*	9.1	yes
Oklahoma	1,689,551	-0-	-0-	-0-	yes
Oregon	1,717,027	127,242	127,242*	7.4	yes
Pennsylvania	4,615,107	1,300,000	650,000	14.1	yes
Puerto Rico	1,107,276		61,000		
Rhode Island	515,869	-0-	-0-	-0-	yes
South Carolina	1,423,437	350,000	316,000	22.2	yes
South Dakota	692,344	66,575	66,575	95.4	yes
Tennessee	2,035,441	225,000	225,000	11.1	yes

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State	Total 402 Monies	402 Monies Requested for EMS	402 Monies Allocated to EMS	Percent of Total	Do you Anticipate Applying Next Year
Texas	6,422,870	325,000	325,000	5.1	yes
Utah	785,023	52,000	52,000	6.6	yes 5,398,80
Vermont	515,869	55,000	55,000	10.7	yes
Virginia	2,163,136	154,300	60,000	2.8	yes
Virgin Islands	257,933		60,000		
Washington	1,863,880	37,000	37,000	2.0	yes
West Virginia	859,894	90,000	90,000	10.5	yes
Wisconsin	2,226,969	315,000	315,000	14.1	yes
Wyoming	515,869	-0-	-0-*	-0-	no
Totals	101,883,999		5,199,301	5.1 8.6*	

NOTE: *NHTSA figures indicate a total FY 86 EMS expenditure of $8,767,100, which includes funding for local EMS projects and possibly helicopter purchase for law enforcement and EMS as well as 402 monies awarded to state EMS programs.

Mr. LEHMAN. Where is EMS getting most of its problems because of the shortfall? Is it in equipment, is it in training, is it in the kinds of research and development you would like to do? Where is it happening?

Ms. MCHENRY. It is a variety of things because it differs from state to state. Each state has its own weak points and areas it has been able to address depending on what its priorities are. I would say that the areas where we are going to see the most deterioration because of the short-fall is in our systems, not in a piece of equipment, not in the training of an individual, not in a piece of communications equipment, but in the systems that were developed in the early years to pull all those things together and make them work effectively to provide a continuity of care for the patient.

So not just the data but the systems that are there, to pull the pre-hospital and the hospital people together, make sure there is a good interface between those two and make sure that the whole thing works as a system and not as a group of fragmented parts.

I think that is what we stand to lose first. There are always equipment needs, there is always the need to upgrade and equipment is becoming much more expensive as it becomes more sophisticated, so clearly it is harder, for instance, for a local volunteer rescue squad to meet its obligations to its communities and to provide the very best that it can without some additional help.

Some states have been able to develop special funding mechanisms within their states. We have done that in Virginia where we have added an additional dollar to motor vehicle registration and it generates about $4 million a year that supports EMS.

It is an ongoing source of support but there are only about ten states that have been fortunate enough to set up special funding mechanisms like that.

The others really have to depend largely on federal dollars to help them.

Mr. LEHMAN. Are these trauma registers still being funded properly?

Ms. MCHENRY. It is not getting very much attention at all across the country. It is something we decided to do in Virginia and went ahead and started it and it started with money from the preventive health block grant and now it is being supported in part by the highway safety funds.

There are only about two states that are being developed currently working on a statewide trauma registry so it is a major gap in service right now and a gap in information for us to make some good decisions.

Mr. LEHMAN. Would you send a letter to this committee stating what you think should happen concerning trauma registries?

Ms. MCHENRY. I sure will. Thank you.

Mr. LEHMAN. Mr. Coughlin.

Mr. COUGHLIN. Thank you very much for being here.

Frankly, I can't make heads or tails out of the chart attached to the back of your prepared testimony.

Ms. MCHENRY. I will be glad to explain it some.

Mr. COUGHLIN. For example, you show the State of Florida which had $3,815,000 worth of 402 monies requested nothing for EMS and got nothing for EMS.

Ms. McHENRY. That is true. There are a few states that have requested nothing, but very often that has been because they have been warned in advance not to expect anything so they don't go to the trouble of preparing an application.

Mr. COUGHLIN. The State of South Dakota which had $692,000 worth of 402 monies asked for 66,000, was allocated 66,000 and that was 95 percent of the total.

Ms. McHENRY. No. That is a typographical error. I am sorry. That should be 9.5.

Mr. COUGHLIN. So the percent of total is the percent of the total 402 monies allocated or requested?

Ms. McHENRY. That is the percent that was allocated. Out of the total amount allocated to the state and then looking at what was allocated to emergency medical services. That is the percentage.

We wanted to find out from the states what they had actually asked for so we could get an idea on whether or not—if they hadn't asked for anything we wouldn't expect them to get anything.

So that was just trying to give us some information. But the main figure that is important is what they got relative to what the state had to dole out altogether.

Mr. COUGHLIN. All right. Thank you.

Thank you, Mr. Chairman.

Mr. LEHMAN. I am going to have to find out why Florida didn't ask for any money. I am going to have to find this out. What is the motivation for not even requesting it?

Ms. McHENRY. As I mentioned, in many cases it is because the State Highway Safety Governors' rep has given the people indication beforehand they don't intend to fund anything in EMS so there is no motivation to write an application.

Mr. LEHMAN. You are saying NHTSA says EMS is up to the states and it is something that the states should do. But it cannot be simply at state expense if you are going to have a national program.

Ms. McHENRY. It seems there needs to be at least a fairly strong recommendation to go to the states to make sure they give it a reasonable level of support and that there be some way to hold them accountable for that to try to carry out your intent. You know notice, and I am being very candid with you in stating this, but I feel obligated to do it, the gentleman who spoke to you a short time before who is serving as the chairman of the National Highway Governors Safety reps is from Arkansas.

Arkansas requested money and got no money from EMS this year. It concerns me when the chairman of his national organization can't support EMS within his own state. Is that going to provide a bad example from this program across the country?

I think the asterisk that is shown under California is specifically because there was some highway safety money, that it is one of those cases where some highway safety money went to purchase a highway patrol helicopter or maybe even two helicopters there if I recall correctly that were used for both EMS as well as law enforcement, but it was actually allocated in the law enforcement section.

So I think they have received some benefit but it does not show up under their allocation?

Mr. **Lehman**. I see. Thank you very much.

Mr. **Coughlin**. Mr. Chairman, you are telling me that NHTSA then tells the states how to spend these 402 monies?

Ms. **McHenry**. No. NHTSA allocates the money.

Mr. **Lehman**. Or says you can't expect to get any for EMS?

Ms. **McHenry**. NHTSA has what they call priority countermeasures and right now it is affectionately called the six-pack because there are six programs in there they highly recommend or feel strongly about that Diane Steed and her staff feel strongly about.

But they still can't force the states to spend a certain amount expect in those areas that Congress has earmarked money for and there are certain areas where Congress has earmarked money.

Mr. **Coughlin**. Do they try to influence the state on how to spend the money?

Ms. **McHenry**. I think if they see there is somebody that is really being short-shrifted on it that they have tried to exert some influence there, not direct but more indirect. Not on a direct project but saying you really need to pay more attention to these needs and to what these people are doing.

One thing that NHTSA has done and has worked with us on is region by region across the country of trying to establish a meeting between the EMS directors within a given federal region and the Highway Safety Governors' rep in one place to talk about some of these issues and to try to bring this all out on the table and move forward with things.

It is a two-way street.

Mr. **Coughlin**. The reason we are so interested is they tell us they can't do that.

Ms. **McHenry**. That NHTSA can't do that? They can't officially. What they are doing is more on a recommendation basis or an unofficial basis in their conversations with the individuals.

I think if you feel strongly as you showed two years ago in stating your intent that it is important for you to try to hold somebody accountable for that and make sure you are getting what you feel is appropriate.

Mr. **Coughlin**. Thank you, Mr. Chairman.

Mr. **Lehman**. Thank you very much for being with us. You have provided us with some good questions for the National Highway Traffic Safety Administration.

Wednesday, April 23, 1986.

COAST GUARD

WITNESS

CAPTAIN ROY B. MOODY, JR., USNR (RET.), DIRECTOR OF NAVY, MARINE CORPS AND COAST GUARD AFFAIRS, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. **Lehman**. Captain Moody, happy to have you back with us.

Captain **Moody**. Thank you.

My apologies. I lost my glasses in an argument with a metrobus this year. I don't know if I can get reimbursed for that or not.

You do have our statement for the record and I will give you a few comments, hopefully, very briefly.

We do appreciate the opportunity, Mr. Chairman, Mr. Coughlin, for appearing before you again this year.

The Reserve Officers Association is pleased that the administration has, in fact, recommended an increase of 500 and the Coast Guard selected reserve. I feel somewhat of a non-sequitur here. I am talking Coast Guard after all of the medical and FAA and so forth, but we can all shift gears hopefully.

Mr. COUGHLIN. Not to worry.

Captain MOODY. From 12,500 to 13,000 we noticed that was a very minimal increase and only represented 47 percent of the requirements. Again, when you compare this to the reserve courses of the other DOD armed forces who are achieving 100 percent of their goal by fiscal year 1988 it certainly leaves a very large gap.

In our prepared statement I did include a chart of all of the reserve components by year of the other armed forces. Also in the budget there is a requested increase of 3.7 million over last year for reserve training.

I would point out, however, that does not support the additional 500 selected reserve personnel which were requested. It simply covers cost escalation, pay raise annualization, reserve G.I. bill cost, continuation of fiscal year 1985 programs and so forth or 1986 programs.

In essence, what the administration is actually asked for 500 additional personnel and has not included any money at all to pay for them.

We figure it is going to cost anywhere from $1.5 to $2 million to support that which obviously doesn't seem like a lot of money in the overall scheme of things, but to the Coast Guard obviously that is a fair amount of money.

In the request for funds for operating expenses, the consideration apparently has not really been given too much and the possibility that the $375 million in equipment which was to be procured by DOD through the supplemental appropriation could come on line during fiscal year 1986 and 1987. Congress when they allocated that money specifically stated that immediate procurement was expected there was no money included for design so if this, in fact, happens the inventory of the Coast Guard will be significantly increased, both air and surface, however, the operating expense account would be increased only rather minimally for 1987.

We are very concerned by the AC&I request of only $77.1 million and we fully support the Coast Guard Committee authorization which was included or passed by the full House I think on the ninth of April which includes approximately $300 million in authorization for the ACI budget for 1987. The request that was submitted by the administration obviously reflects a reduction in budget authority to offset the add-on funding appropriated to the Navy in 1986.

The problem with that is, of course, that the Congress again, if you read the language, obviously intended the 1986 add on be used to increase the capital plan inventory and if they submit a $77.1 million request instead of the normal $300 million, obviously that does not come out to any sort of an increase.

This attempt is rather consistent with the actions taken every time the Congress appropriates add-on Coast Guard funding through the Defense Department for additional equipment. The last five years Congress has added $975 million to be used for equipment procurement over and above that planned in the program ACI budget.

To the best of our knowledge, little, if any, additional equipment has been procured. The funding has consistently been used for purposes other than that intended by Congress.

In some cases they have gotten new equipment. As an example, for four C-130s, they got the four C-130s they had requested. They did not get four additional, however, the four that they were going to have four overhauled so with the money they managed to get three brand new ones.

The Coast Guard actually qualitatively increased quantitatively they got no increase. We feel it is time Congress really ensured that the add-on funding that is appropriated for additional equipment, and that has been so specifically spelled out in the congressional language, is in fact used as intended.

Another item which I am sure will be of some concern to the Committee or interest to the Committee is the continuing appropriation action for fiscal year 1986 placed those funds passed through DOD to the Coast Guard under budget function 50, which is defense. Congressman Walter Jones, Chairman of the House Merchant Marine and Fisheries Committee, recently wrote in one of our publications the Coast Guard budget should possibly also come under scrutiny of the Armed Services Committee and the Defense Appropriation Subcommittees.

We are currently pondering and looking at the advisability of breaking out the entire Coast Guard budget into two functions, defense function 50 and transportation function 400. Clearly reserve funding could be considered a function 50 activity and Congress did, in fact, designate some ACI and OE funding, that is function 50 in 1986.

It certainly would prevent the labeling of all Coast Guard appropriations as, "non-defense discretionary funding", which the Senate did in some of its earlier deliberations during fiscal year 1986 budget discussions.

Finally, the Reserve Officers Association would like to hoist a warning against the current pressures to privatize a wide range of Coast Guard activities.

The concepts are not new. They just carry different labels. Not too many years ago they moved to civilianize the service. Then came pressures to contract out services through the so-called A-76 process and now privatization.

The Coast Guard rolls have been consolidated, reduced, expanded, surveyed and heavily scrutinized by external and internal reviews over the past few years. And always have been determined to be in the public interest.

We are very concerned that privitization will be pushed by many people without regard to the adverse impacts it might have on national security. Accordingly, we strongly support the identification of Corps logistic activities as required by the 1987 Coast Guard authorization bill which I said I think was passed by the House on April the 9th.

Such identification would protect certain Coast Guard functions from privatization in the same manner as Congress has directed the Department of Defense to protect various functions not to be contracted out or privatized.

The Coast Guard provides this country with a ready, highly specialized, professional military force in position to support or link up with the other armed forces if this nation must be defended, ready on a 24-hour basis to go anywhere at a moment's notice.

As we have noted on many occasions, the Joint Chiefs of Staff war plans call for the Coast Guard to perform a variety of missions, many overseas in a national emergency.

In many of these mission areas, the Coast Guard alone, among the services, possesses the sole capability and expertise. So the loss of any significant portion of these missions through privatization must result in loss of a platform and personnel necessary for mobilization as well as loss of peacetime training platforms, so that would adversely impact national security.

Many of the staunchest proponents of privatization, such as the Coalition of Americans for Privatization, agree that national defense cannot be privatized and must be done by the public sector, and in our opinion, most of the Coast Guard's peacetime functions translate into, directly or indirectly, but most likely into wartime functions essential to national defense, and accordingly, we ask that the Subcommittee view the Coast Guard as our fifth armed force and not just another government agency when deliberating on annual appropriations.

Military readiness and the ability to carry out already assigned missions, wartime missions, must at all times be of paramount consideration.

Mr. Chairman, that concludes my presentation.

[The prepared statement of Captain Roy B. Moody, Jr., follows:]

Statement of
Director, Navy, Marine Corps and Coast Guard Affairs
Reserve Officers Association of the United States

Before the
Subcommittee on Transportation
of the
House Committee on Appropriations

23 April 1986

Reserve Officers Association of the United States

National Headquarters ● 1 Constitution Avenue, N.E.
Washington, D.C. 20002
202/479-2200

Statement of Captain Roy B. Moody, Jr., USNR (Ret.), Director of Navy, Marine Corps and Coast Guard Affairs for the Reserve Officers Association of the United States, before the Subcommittee on Transportation, House Committee on Appropriations 23 April 1986

Mr. Chairman and Members of the Committee:

I am pleased with the opportunity you have afforded the Reserve Officers Association to participate in this hearing regarding Coast Guard Appropriations for fiscal year 1987. Mindful of ROA's Congressional Charter to support a military policy for the United States that will provide for adequate national security and promote its development and execution, it would appear that we, the Congress and ROA, have a compact that is similar to that Total Force mutally-supportive concept that exists between the Reserve and Regular components of the various military services -- one of which is the Coast Guard, though some recent actions and attitudes would seem to belie that truth.

Beginning with President Harry Truman, who signed the ROA Charter, and as later expressed by President John F. Kennedy, it is also ROA's belief that "through the centuries of crisis the American tradition has demonstrated...that freedom is the ally of security" -- and that is what we are about. Expressed in other terms, security might well be equated with peace, and peace is secured through an adequate military strength, along with a sound political economy, and all else that makes for a strong United States. Interestingly, it is that strength that allows some nations to proclaim their neutrality and others their non-alignment.

ROA has frequently expressed our concern for the early implementation of a credible Maritime Defense zone initiative, particularly suitable to a trained, well-equipped and well-exercised Reserve establishment -- only to be confronted with budgetary setbacks coupled with pressures to privatize many maritime activities in the very zones that are critical to current forward deployment strategies. To support forces deployed overseas, it is indispensable to insure the safe transit of material out of our staging ports, through the Maritime Defense or Coastal Zones and finally, with similar techniques, to disembark such material on foreign shores.

The Commanders, Coast Guard Atlantic and Pacific areas, have expressed a need for at least 40,000 additional Naval and Coast Guard Reservists just to effectively implement the full MDZ concept. We are pleased that the Administration has recommended an increase in the Coast Guard Selected Reserve of 500 - from 12,500 to 13,000. However, this minimal increase hardly responds to an established mobilization requirement of 27,400.

I would like to emphasize, however, that the Administration's requested increase of $3.7 million for Reserve Training does not support the additional 500 selected Reserve personnel which have been requested. It simply covers cost escalation, pay raise annualization, Reserve G.I. Bill costs, and continuation of FY86 programs into FY87. The Administration has proposed an increase of 500 personnel and has not included one penny in the budget to support them. ROA estimates that an additional $2 million is necessary to support this requested, and very essential, increase. It may appear that ROA is concerned about relatively insignificant amounts of money. However, as this committee well recognizes, $2 million is not an insignificant amount to the Coast Guard.

I would like to focus briefly on the relationship between the OE and A, C & I Appropriations, both as recommended by the Administration. The Coast Guard projected equipment (air and sea) inventory is to be significantly increased by the add-on Coast Guard funding contained in the FY 1986 Defense Appropriation. Congress specifically noted that immediate procurement was expected, noting that the funding was for procurement, not design. However, the OE account would be increased by only 6 to 10 percent in Fiscal Years 1987 and 1988. There is an apparent imbalance in the perception of what would be necessary to responsibly field the new equipment that will be coming on line.

ROA is particularly concerned by the Administration's A, C & I request of only $77.1 million. This obviously reflects a proposed reduction in procurement budget authority (which has totalled approximately $300 million per year in recent years) to offset the $375 million add-on funding which was included in the FY 1986 Defense Appropriation. However, Congressional language clearly indicates that the 1986 add-on was to be used to procure additional equipment, i.e., an increase in the capital plant inventory. That add-on did not provide for the planned rehabilitation of the existing fleet of cutters, nor does the FY 1987 request. In fact, the Administration's Budget submission specifically acknowledges that only seven of twelve High Endurance Cutters (378' WHEC) and only six of sixteen Medium Endurance Cutters (210' WMEC) will have entered a shipyard for critical overhaul and modernization by the end of FY 1987. These are vessels that are particularly suited to the new Maritime Defense Zone mission in fulfillment of the Coast Guard's special augmentation-of-Navy role; they are also the classes of vessels that Reserve Vessel Augmentation Forces would be, and are, assigned to for training and mobilization.

This obvious attempt by the Administration to flout the intent of Congress is totally consistent with actions taken everytime the Congress appropriates add-on Coast Guard funding, through the Defense Department, for additional equipment. In the last five years, Congress has added $975 million to be used for equipment procurement over and above that planned in the programmed A, C & I Budget. To the best of our knowledge, little, if any, additional equipment has been procured and the funding has consistently been used for purposes other than that intended by Congress. The Administration appears bound and determined that the capital plant inventory of the Coast Guard shall not be increased. ROA submits that it is time that Congress ensure the add-on funding is used for additional equipment as intended, that the normally programmed A, C & I Appropriation be funded in full, and that concomitant personnel, operating and maintenance growth, to support the additional assets, be mandated.

Two additional funding packages were carried in 1986 Navy appropriations for Coast Guard use -- through its Operating Expense account. One $15 million package, sponsored by Representative Charles Bennett, (D-FL), was to provide 500 additional personnel to serve as boarding teams to be carried on Navy vessels for drug interdiction efforts. This increase is not reflected in published budget material for the Fiscal Years ahead. Of more concern to ROA and Reserve forces is the $100 million similarly provided to the Navy O&M account to reimburse the Coast Guard for expenses related to training and maintenance needs associated with military readiness. In spite of this funding, the Reserve component has experienced a slowdown in training, perhaps as a result of Gramm-Rudman; nevertheless, it suggests that military readiness training may be being sacrificed to budgetary expediency.

As noted earlier, ROA supports the Administration request for an increase of 500 Coast Guard Reservists; but we would reiterate that the 13,000 personnel requested still constitutes only 47% of Coast Guard mobilization requirements. The reflected rate of increase is a long way from matching the Department of Defense program that would put all of its Reserve Forces at 100% of mobilization requirements by 1988 - as illustrated in the following table:

(Manpower Shown in Thousands)

	ARMY	NAVY	AIR FORCE	MARINE CORPS	COAST GUARD
1980	202	86	58	33	11.7
1981	212	87	60	37	11.7
1982	242	93	63	40	12
1983	251	102	67	43	12
1984	255	110	70	43	12
1985	263	118	70	42	12.5
1986	273	125	75.6	43	12.5
1987	273	125	75.6	46	13
1988	292*	130*	75.6*	49*	13**
Percent Increase	44.6%	51.2%	30.3%	48.5%	11%

* 100% Mobilization requirements

** 50% Mobilization requirements

This gross disparity in mobilization manning between DOD Reserve Components and the Coast Guard Reserve draws attention to the eight Coast Guard operating expense programs identified as line items in in the FY87 Administration Budget. One of these is Defense Readiness.

The FY 1986 Defense Appropriation placed those funds destined for the Coast Guard under Budget Function 050 (Defense). Chairman Walter Jones (D-NC), House Merchant Marine & Fisheries Committee, in a recent National Security Report, proposed that the Coast Guard budget come also under the scrutiny of the Armed Services Committees and Defense Appropriations Subcommittees. ROA supports this proposal and recommends consideration be given to breaking out the entire Coast Guard budget into two functions, Defense Function 050 and Transportation Function 400. Such action might provide a military identity which many consider lacking. Initially, this might create some confusion since the Coast Guard budget would have to be approved by two Appropriations Subcommittees, Defense and Transportation. However, the current authorization procedure constitutes precedent for such split authority -- Merchant Marine and Fisheries authorize all Coast Guard except Reserve; the Coast Guard Reserve is authorized by Armed Services.

Clearly, Reserve funding could be considered a Function 050 activity; some A, C & I and OE funding was so treated in FY 1986.

Function 050 funding would also escape the anomaly of labeling all Coast Guard Appropriations as "non-defense discretionary funding" as did the Senate and the Congress during consideration of the reduction initially proposed during FY 1986 appropriations deliberations.

In budget terms, does the Coast Guard really belong in Function 400, the Transportation "mixed bag?" In this budget function, the Coast Guard must compete with AMTRAK, CONRAIL, Urban Mass Transit and other transportation activities. The Administration wants to cut many of these activities drastically; however, in many cases Congress disagrees and insists on restoring these proposed cuts. Restoral funds must come from somewhere, and in Function 400 the Coast Guard is one of two large "dollar-for-dollar" accounts. Function 400 becomes even less desirable if trust funds (highways, airports, mass transit) are placed off budget. Such action would make the Coast Guard even more vulnerable when across-the-board cuts are made. Competition for funding among various agencies is desirable, but not when the competing agencies are so disparate in nature, and when some agencies (not the Coast Guard) have access to operations trust funds which act as a considerable buffer to service reductions.

While discussing the feasibility of a Function 050 budget for the Coast Guard Reserve and associated defense activities, ROA notes that the FY86 appropriations has benefitted Customs Service, through the Department of Defense, for drug interdiction aircraft modification. Funding was also added to the Air Force Appropriation for aircraft and a Command and Control structure to be used in the drug interdiction mission. We trust that these many drug interdiction efforts and elements are well coordinated. We also suggest that consideration now be given to the establishment of a Coast Guard Reserve aviation mission that would significantly enhance the Navy-Coast Guard Maritime Defense Zone capability and which would receive peacetime training and area familiarization through drug interdiction and surveillance activity.

Finally, ROA wishes to hoist a warning against current pressures to privatize a wide range of Coast Guard activities. These concepts are not new, they just carry different labels - and have been policy to varying degrees over the years. Not too many years ago there were moves to "civilianize" the service; then came pressures to contract out services through the so-called "A-76 process;" and now privatization.

There are many powerful arguments which support the conclusion that the multi-mission Coast Guard meaningfully and most cost-effectively promotes the general welfare of the nation, while significantly contributing to national security. The Coast Guard roles have been consolidated, reduced, expanded, surveyed and heavily scrutinized by both external and internal reviews over the years, and always have been determined to be in the public interest.

Generally, our Coast Guard has been a model for other nations; it directly returns to the nation some 300% over its total appropriations; and through a multiplier effect produced through its ability to muster and coordinate a vast array of other private and governmental/public resources, the Coast Guard indirectly balloons this return.

ROA is greatly concerned with the adverse impact of any Coast Guard privatization on port security, coastal/maritime defense capability, Reserve training, salvage capability, vessel routing and the current military forward defense strategies. While providing the economic benefits noted above, the Coast Guard and its Reserve provide this country with a ready, highly-specialized, professional military force in position to support or link-up with the other Armed Forces if this nation must be defended -- ready on a 24 hour basis to go anywhere, in a moment's notice. The loss of any significant portion of its missions must perforce result in a loss of platforms and personnel necessary for mobilization as well as loss of peacetime training platforms. Such action would clearly adversely impact our national security.

Even the staunchest proponents of privatization, such as The Coalition of Americans for Privatization, agree that national defense cannot be privatized and must be accomplished by the public sector. ROA contends that most of the Coast Guard's peacetime functions translate directly into wartime functions critical to national defense.

During the past few years, despite all efforts to the contrary, the Coast Guard has not fared well under the sole sponsorship of their designated Authorization and Appropriations Subcommittees. Only through the intervention of a subcommittee outside the normal "loop" -- the Senate Defense Appropriations Subcommittee -- has additional critical funding been provided in recent years. ROA asks that this subcommittee view the Coast Guard as our fifth Armed Force -- not just another regulatory agency or transportation agency -- when deliberating on annual appropriations. The Coast Guard's military readiness and ability to carry out wartime missions should at all times be the paramount consideration to those who develop the Coast Guard budget. Other, oft-expressed, considerations must be secondary.

At ROA's Mid-Winter Conference I heard some long-time (some might call them old-time) Coast Guard Reservists sing the following to the tune of The Marines Hymn:

> From the shores of Coney Island
> To the piers of NYC,
> We will fight our country's battles
> As we go forth to victory.
>
> Oh, the Army and the Navy,
> They go out to meet the foe,
> But the Coast Guard never will retreat
> Cuz it has no place to go.

We trust that those words are not as prophetic as those people suspected ROA hopes that this Committee will ensure that the Coast Guard always has forward movement, even though it may have to "back and fill" a bit in the process.

Mr. Chairman, that concludes my presentation. I will be pleased to respond to any questions you or other Committee members may have.

Mr. **Lehman**. Thank you very much, Captain, and I hope you find your reading glasses on the bus.

Captain **Moody**. No, they went under a wheel. I have them but they are in several pieces.

Mr. **Coughlin**. Thank you, Mr. Chairman.

I thought maybe you were going to conclude the testimony with a song.

Captain **Moody**. Chairman Studds asked me the same question. I am not in good voice for that, I am afraid.

Mr. **Coughlin**. Thank you very much.

Captain **Moody**. Thank you.

Wednesday, April 23, 1986.

FEDERAL RAILROAD ADMINISTRATION

WITNESS

WILLIAM T. DRUHAN, NATIONAL CONFERENCE OF STATE RAILWAY OFFICIALS, AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

Mr. **Lehman**. Mr. Druhan.

Mr. **Druhan**. Thank you, Mr. Chairman, and Mr. Coughlin. It is a long two days for you all and right at the tail end let me not delay the departure.

Your predecessor, Mr. Chairman, Chairman Duncan, used to say about this time it is time they rolled the rock away from the cave and let us all out. So you are approaching that time today.

I am here representing the American Association of State Highway Transportation Officials, and the Committee on Railroads in particular. We are here requesting the appropriation for rail programs the same as last year. I note that when your federal railroad officials were here you stated that we could probably reprint last year's hearings, since nothing new has developed. That is primarily the case that we have with these four rail issues—nothing new has developed, they have again requested that the funds not be provided, and we are again here telling you that the problem has not gone away.

Attached to my statement are two surveys that we have conducted, one which shows that there is still a need for rail funds for branch lines, approaching $1.3 billion. Also attached there is a survey which shows that the states are providing on the average $158 million of their own money every year. Now, when you consider that the local rail service assistance program has been appropriated at the level approximating $15 million, and we are supposed to provide a 30 percent match, you can see it is not our problem as a matching situation. Our problem is, like a previous witness said, it is a system, it is a cohesiveness that must be maintained between the states and the federal government.

We also look upon these branch line improvements as a capital program, not just as an expenditure, annual event monies dribbled way. Every nickel is spent on a capital project which has a long term very good cost/benefit ratio that benefits everybody.

Now, we are attempting in other ways—we bring out in our testimony—to fund the money in other ways. For example, there is a movement to obtain some of the proceeds in the sale of Conrail for a permanent federal rail program on a branch line basis.

Mr. LEHMAN. A good sale.

Mr. DRUHAN. We recognize that is a problem. That is why we are here, to say would you please keep the program going until there is a sale. We don't look for one this year. You probably know better than I do the progress that is not being made in other committees. But there are other ways that we are trying to fund that program.

There is also the rail safety state participation program.

You mentioned just a few minutes ago that the Secretary has a top priority of safety. To us it is incongruous that she would then recommend that our program be abolished. For last year they recommended that the fund be reprogrammed to keep their portion of the partnership alive and abolishing our portion. We remind you in the statement that this program was initiated by Congress, has been continually encouraged by Congress, for state participation. We have done that. If we are eliminated, then the federal government must pay 100 percent of the cost plus the difference between the state salaries which are lower than the federal salaries.

So eliminating this pittance of money, less than $3 million a year, will cost the government more money and not save it, as it is implied by the administration.

Thirdly, we like to support the state supported AMTRAK trains. So we call 403(b) trains. There are only six states that now operate AMTRAK trains, assist in the operation. Florida had to discontinue. As you know, there are all kinds of problems which were not Florida's. We have a continual argument with AMTRAK on that.

In the case of Florida, there was not only funding, you couldn't get the reservation system put in there. One of the problems is that AMTRAK insists upon charging the state depreciation and interest and the federal government provides 100 percent of their capital, and then turns around and says if we are going to use something on our trains we have to pay the depreciation for something they didn't pay for.

Similarly, you pay all their money for operating expenses and others, and they have accumulated a huge debt which I don't think you would anticipate our going to get much return on. They asked us to pay interest on that debt and that is what drives the large figures and why Florida and other states have had to get out of the program. We feel that is a system of trains which enhances the AMTRAK revenue. We feed passengers on to that main line.

Finally, so we can conclude, there is the 505 and 511 programs. These also we point out in the testimony, have been very successful and yet the needs have not gone away. As you look at mergers, proposed mergers, deregulation, what that has done is spurred the necessity for a lot of little branch lines and regional railroads. The local rail service assistance program—505, 511 programs—they give the seed money to get that started, to get it back, which will assist all the communities nationwide, and emphasis that it is a national problem. That is not fair. We think that the funds that are being asked for fit within the parameters of the Gramm-Rudman, but we don't feel that the elimination of the program is what is in mind.

Thank you very much.

[The prepared statement of Mr. William T. Druhan follows:]

AMERICAN ASSOCIATION OF STATE HIGHWAY
AND TRANSPORTATION OFFICIALS

THOMAS D. LARSON, President
Secretary
Pennsylvania Department
of Transportation

FRANCIS B. FRANCOIS
Executive Director

STATEMENT BEFORE
THE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES

Relating to

FEDERAL RAILROAD PROGRAMS

by

WILLIAM T. DRUHAN
Representing the
National Conference of State Railway Officials,
a Standing Committee of the

AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS
444 North Capitol St., N.W., Suite 225
Washington, D.C. 20001

April 23, 1986

Founded in 1914, AASHTO represents the departments concerned with highways and transportation in the States, the District of Columbia, and Puerto Rico, to foster the development, operation and maintenance of an integrated national transportation system. The active members of AASHTO are the duly constituted heads and other chief directing officials of the member highway and transportation agencies.

EXECUTIVE OFFICE: 444 N. Capitol Street, N.W., Suite 225 Washington D.C. 20001 Telephone (202) 624-5800

Mr. Chairman, my name is William T. Druhan. I am representing the National Conference of State Railway Officials, a Standing Committee of the American Association of State Highway and Transportation Officials. I appreciate very much your invitation to appear today to express the Association's views on a number of rail issues. I am appearing in place of Ray D. Bass, Chief Executive Officer, Alabama Highway Department and Chairman of NCSRO. Mr. Bass regrets very much that he is unable to attend today.

The Association is requesting appropriations for fiscal year 1987 for the continuation of the Local Rail Service Assistance Program, the Railroad Safety State Participation Program, state supported Amtrak trains, and the Redeemable Preference Share and Load Guarantee Programs (i.e., the Section 505 and 511 Programs).

The Association at the outset wishes to express its concern about the fiscal problems curently confronting the nation and the efforts being made by the Congress, and this particular Subcommittee, to reduce the budget deficit. The Association is fully cognizant of the importance of this problem and the difficulty of your task in fulfilling the responsibilities of this Subcommittee. The Association is also aware of the fact that few, if any, organizations associated with programs under the jurisdiction of this Subcommittee are willing to accept a reduction in funding. Although included in that group, we believe there is no justification for the elimination of funding for all state rail programs. Failure to provide Federal funding these rail programs would result in their abolishment in many states. Such an action fails to recognize the merits of the program as established by prior accomplishments and endorsement by the authorizing committees.

Local Rail Service Assistance Program

AASHTO is strongly opposed to the elimination of the funding for the Local Rail Service Assistance Program (LRSA) as again proposed in the federal budget for fiscal year 1987. The LRSA Program should be considered as a capital investment essential to interstate commerce and not merely as another expense adding to the federal deficit. Projects undertaken with federal financial assistance under this program have proven to have very good cost benefit ratios. The program should be continued because of the anticipated benefits of the proposed projects essential to the economic well being of many communities. In addition, the program satisfies the desirable criteria for state and community involvement with continuing benefits.

The Local Rail Service Assistance Program was established by the Regional Railroad Reorganization Act of 1973 in recognition of the burdens placed upon the states as a result of changes made to the Interstate Commerce Act. The program provides financial support to the states for the continuation of rail freight services on light density lines. This assistance is in the form of capital rehabilitation and improvements -- not operating subsidies. Thus, if the federal budget were to be divided between capital items and expense items, as has been suggested by interested parties, the LRSA Program could be justified as a capital budget item.

The LRSA Program has considerably enhanced the economic well being of enumerable communities beyond what reasonably could have been expected considering the limited amount of funds provided by the Federal government. Many of the branchlines assisted by this program, and more importantly many of the branchlines which need assistance, serve the nations economy by providing low cost transportation of agricultural and manufactured products, coal, and other industrial commodities.

The LRSA Program requires that 30% of the funding come from non-federal sources. Actually, the states, railroads, and shippers have provided many times the amount required for this match. Although non-federal funding was provided in excess of the required amount, it should be recognized that in most instances these funds would not have been made available without the federal and state "seed funds". In some instances the state funds would not have been available without federal "seed funds".

NCSRO conducted a survey earlier this year on the current and new state funding programs for rail rehabilitation and acquisition projects in each of the states. The results of this survey are attached to this statement. It will be noted that 27 states have current or new state funded rail programs. Also it should be noted that the annual funding level for these programs is about $158 million. This far exceeds the required 30% "match" of federal funds. Moreover, it does not consider the contributions made from other than state sources.

Contrary to statements made by Administration officials, the problems this program was designed to alleviate have not been eliminated. Rather, the problems continue and in many instances the situation has been exacerbated by the Federal government. No region in the country has been exempted from the massive abandonments of branchlines resulting from the easing of abandonment procedures permitted in federal legislation or from the large number of abandonments resulting from mergers permitted by the Federal government. Last year we conducted a survey of the states to identify their total remaining rail capital needs. The results of this survey which have not materially changed in the past 15 months, are attached to this statement. It will be noted that the remaining capital needs for rail rehabilitation and acquisition amount to over $1.3 billion. Only Hawaii, Utah, and Wyoming indicated that they did not have needs for this program. It should be noted that the identified needs do not include funds necessary for planning purposes, grade crossing safety projects, or grade crossing surface repair projects. Also, the projects included are those eligible for funding under the LRSA Program which the state would be willing to finance with its own funds if such funds and federal "seed funds" were made available. It can be readily seen that the branchline problems have not been solved in any region of the country. Rather, in comparison with previous surveys, the needs are increasing.

The Federal government imposed the abandonment burdens upon the states. The Northeast Rail Service Act of 1981, for example, permitted massive additional abandonments of Conrail lines on an expedited basis. Consequently, Conrail abandoned over 5,000 miles of branchlines. Moreover, Conrail plans to abandon additional lines and if it is sold to another railroad, as approved by the Senate, it is anticipated that there will be further abandonment of branchlines on the merged system.

Similarly, in recent years the ICC has granted approval for the merger of a number of Class I railroads and is currently considering another major merger of two western railroads. These mergers are immediately followed by considerable branchline abandonments since rationalization of the system is one of the major justifications for such mergers.

Reportedly, more than 14,000 miles of track has been abandoned during the last four years. Moreover, it is predicted that the abandonment rate will increase in the near future. For example, the Soo Railroad has announced that it plans to shortly abandon 2,300 miles of track. Similarly, although the Illinois Central Gulf Railroad has already abandoned almost 2,000 miles of track in the last few years, it has announced that it will cut its size by half during the next decade. Also, the CSX Railroad, Norfolk Southern, and Burlington Northern have all announced major branchline abandonment plans. Clearly, the branchline problem will require additional assistance from the states, and the LRSA Program is an essential element to this assistance.

Secretary Dole said that "most of the projects to save rail lines from abandonment with the Local Rail Service Program addresses are local in nature and are appropriately the responsibility of state and local governments." This reasoning ignores the concept of interstate commerce. The courts have consistently held that rail traffic, albeit completely within a particular state, is interstate commerce. Hence it is within the jurisdiction of the ICC and not the states or communities. Thus, the local nature of the proposed rail line abandonments has no standing. As I have stated, since the Federal government is involved in creating these problems through expedited abandonment procedures and mergers, it must accept responsibility to assist in partially alleviating the problems. That is, since it is an interstate problem it should not rely solely on an intrastate solution. The Federal government can no more defer this problem to a state solution than a state can defer it to a community solution.

There is considerable interest by the Congress, and this Subcommittee in particular, with regard to the proposed sale of Conrail. AASHTO has been active in this matter and has expressed its views directly to the Federal Railroad Administration as well as the authorizing committees. One aspect of this issue which I would like to bring to your attention at this time is the matter of the proceeds from the sale. AASHTO adopted a policy position urging Congress and the Administration to continue rail assistance programs and to join in the development of an alternative funding program for rail assistance to assure preservation of an efficient rail transportation system. In particular, AASHTO recommends that $500 million of the proceeds from the sale of Conrail be reserved by Congress to fund a five-year national rail assistance program of $100 million per year to meet the identified rail needs of the states. It further recommends that the remaining proceeds from the sale of Conrail be reserved by Congress to fund the additional rail-related infrastructure needs. Similarly, last week the Northeastern Association of State Highway and Transportation Officials adopted a statement of principles regarding the sale of Conrail which included in part: "The relatively small proportion of the $7 billion investment which may be realized in any sale should be dedicated first to assuring adequate funding for state and federal programs to maintain and enhance the rail system nationally."

I recognize that this matter is not within your jurisdiction but want to bring it to your attention to indicate that efforts are being made for alternate federal funding and emphasize the necessity to continue the LRSA Program through the appropriation process until these alternate means are approved.

Last year Administrator Riley stated that he had set up a small "strike force" to help shippers and communities deal with the impact of light density line abandonments. The establishment of this strike force was cited as another reason why federal funding for the LRSA Program was not necessary. In describing the activities of the strike force, he stated that the demand for strike force assistance had been less than anticipated. The lack of demand for this assistance was not due to the fact that financial assistance programs were still in place, as contended by the Administrator, but rather because the state departments of transportation were not aware of the existence of this strike force. As recently as last month most state DOT representatives were unaware of the existence of the strike force. In one instance where a state was aware of the strike force, a request was made to FRA to send the strike force to reevaluate a project funded by the LRSA Program which had been severely hampered by adverse weather conditions. The request was denied without explanation. To my knowledge, this is the only instance where a state representative has requested assistance. The Administrator cited a number of instances where the strike force was involved but in these instances assistance was not solicited by the states nor were the states even aware it had been given. Obviously, the strike force cannot be considered as a substitute for funding the LRSA Program.

Failure to appropriate funds for the LRSA Program would result in the complete demise of the program in many states. There will be instances where states will not prepare the annual state rail plan which has proven to be very useful to the railroads and shippers. In other instances the rail plan will be prepared, but it will be on an inconsistent basis as there will no longer be a requirement to follow federal guidelines. Termination of the program would destroy the uniformity and cohesiveness among the states developed over the past decade for the purpose of solving national branchline problems. The LRSA Program provides a uniform and timely planning process which is essential to states individually and collectively. Both the federal and state governments have a role in solving national branchline problems and neither can abdicate its responsibility.

Federal Safety State Participation Program

AASHTO is strongly opposed to the proposal that no funds be provided for the Railroad Safety State Participation Program for fiscal year 1987. AASHTO's policy position regarding railroad safety provides in part: "AASHTO strongly supports the financial role that the Federal government must play in order to insure a continuing Federal-State Railroad Safety Participation Program promulgated by the Rail Safety Act of 1970."

This program probably requires the smallest amount of funding of any Federal government program. It is currently operating with an appropriation of less than $3 million a year. This amount represents 50% of the annual cost incurred by 32 states for 101 inspectors presently engaged in the program. In an era when federal programs require funding in the hundred of billions of dollars, the funding for this program pales to insignificance. Considering the possible adverse affects on safety which would result from terminating the funding for this program, and the insignificant impact the program has on the overall federal budget, it is not understandable why this program has been recommended for discontinuance.

Administrator Riley testified that less than $100,000 per state is required to continue this program and that if the states have any sincere interest in the program they will certainly provide this small amount. A state's "sincere interest" is not always in proportion to the funds involved. Mr. Chairman, I refer you to a letter dated March 12 sent to you by Thomas Drawdy, Secretary, Florida Department of Transportation, in which he points out that part of the justification by the Department to the Florida Legislature when requesting provisions to perform rail inspections was the fact that 50% of the costs involved were paid by the Federal government.

Moreover, Mr. Riley's reasoning overlooks the fact that railroad safety is the federal responsibility and not a state responsibility. The Federal government responsibility for railroad safety was clearly defined in the 1970 Act. There is no justification for shifting this responsibility to the states regardless of the amount of funding required.

The purpose of the 1970 Act was not to abrogate the federal responsibility for rail safety but rather to form a partnership with the states to assist in solving mutual safety problems. State participation in the program is encouraged by the payment of up to 50% of state program costs by the federal government. This is not a "grant-in-aid for railroad safety" as characterized by the Administration. Rather, it is a partial reimbursement for salaries and expenses incurred by states in assisting the Federal government in its rail safety responsibilities.

The FRA supplements the functions of state inspectors from participating states and conducts all of the inspections in those states not participating in the program. FRA also monitors the overall administration of the program. This partnership has provided a uniform enforcement of the federal standards among the states. Congress has continually encouraged greater state participation in the program. Among the problems encountered by the states in attempting to expand its program is the fact that the states are unable to pay inspectors salaries comparable to the federal wage scale. Therefore, if an appropriation is not provided for this program, an appropriation must be made to pay for the share presently being paid by the states as well as an amount to compensate for the wage differential for the federal inspectors replacing the state inspectors. That is, elimination of this program will not reduce the federal deficit but rather will increase it by more than the amount the states are presently receiving.

The success of this program is not questioned. For example, again referring to the letter from Secretary Drawdy, he states: "In 1978 when the Department was first certified by the FRA, there were 157 reportable train derailments in Florida as compared to 39 in 1985. This is an excellent indication of the effectiveness of Florida's participation in the safety program and why we believe it should be continued." The experience of other states is similar to that of Florida. In addition to reductions in derailments, as you are aware, the death and injury rate resulting from railroad accidents has decreased considerably in recent years. Although it can not be stated that this is directly attributable to this program, as pointed out by Secretary Drawdy, there is an obvious relationship.

In summary, Mr. Chairman, failure to fund this program will terminate the existing partnership between the federal and state safety inspectors, thereby reverting to the chaotic situation which existed prior to the establishment of this program in 1970. In our opinion, it is unreasonable to fail to fund this small program because it could result in adversely affecting safety and the justification for discontinuing the program does not purport to enhance safety.

State Supported Amtrak Trains

AASHTO is strongly opposed to the elimination of funding for Amtrak as proposed in the federal budget for fiscal year 1987. AASHTO is also opposed to any proposal which would reduce Amtrak's budget to the degree or for the specific purpose of not providing sufficient federal funding necessary for the continued operation of the state supported Amtrak trains.

The state supported Amtrak trains [the so called Section 403(b) trains] are in integral part of Amtrak's national system. Section 403(b) trains are comparable to branchlines in the freight system; they provide a feeder system for the trunk line operations. Therefore, these trains considerably enhance Amtrak's revenues derived from its basic system trains.

Currently, Section 403(b) trains are operating in only six states: California, Illinois, Michigan, Missouri, New York and Pennsylvania. Recently, Section 403(b) train service was discontinued in the states of Florida, Minnesota, North Carolina and a train between Alabama, Mississippi and Louisiana. There were a number of reasons for the discontinuances but the primary reason was due to what the states believed to be the excessive costs charged by Amtrak.

Amtrak bills the states for the short term avoidable loss incurred in the operation of these trains. The states believe that the costs are excessive because of the inclusion of depreciation and interest as items of cost. These costs are very sizeable and clearly unjustified. From inception the Federal government provided 100% of Amtrak's equipment cost. Therefore it is patently unfair to charge the states for depreciation of equipment which Amtrak purchased with federal funds. Similarly, Amtrak does not pay the Federal government interest on the amounts furnished for capital or operating needs. Since interest is not an Amtrak cost it should not be a charge to the states. The unfairness of these charges is also substantiated by the fact that in no other instance does Amtrak consider depreciation or interest costs as factors. For example, Amtrak is required to attain a certain cost-revenue ratio to justify the continuation of operating basic system trains. Depreciation and interest costs are not considered in these determinations.

As in the case of other rail programs, the elimination of federal support for Amtrak has been proposed for a number of years. The matter has been considered in depth by this Subcommittee. Therefore, I do not believe it is necessary to reiterate all the reasons why federal funding should continue. Justification for continued federal funding has been clearly established and endorsed by several Congresses. In addition, the recently enacted Omnibus Budget Reconciliation Act of 1986, in addition to indicating Congressional desire for continued federal funding for Amtrak, includes a number of revenue enhancements which when implemented should considerably reduce the amount of necessary federal funding.

Railroad Rehabilitation and Improvement Financial Assistance

The Railroad Revitalization and Regulatory Reform Act of 1976 provides for rehabilitation and improvement financing for railroads through the purchase of redeemable preference shares of the applicant railroad by the Federal government (Section 505) and guaranteed loans for principal and interest for obligations of railroads (Section 511). A total of $1.4 billion has been authorized for the Redeemable Preference Share Program and $1 billion has been authorized for the Loan Guarantee Program.

The Redeemable Preference Share Program has been used primarily for rehabilitation projects designed to eliminate deferred maintenance on high density mainlines. The Loan Guarantee Program has been used to support critical freight car and locomotive rehabilitation programs, track upgrading projects, and the funding of labor protection payments to former employees of the Milwaukee Railroad.

The programs have been very successful as evidenced by the many worthwhile projects undertaken. FRA reports that the program made a major contribution in relieving problems requiring immediate redress. It also reported that the programs have helped minimize the adverse impact of deferred maintenance on the national rail system by stemming the deterioration of high density mainlines and by providing for rehabilitation of needed equipment which the recipient carriers would not otherwise have been in a position to undertake.

As previously mentioned, recent mergers between several major Class I railroads has resulted in major rationalizations. This has in turn spurred forming a number of short line and regional railroads. The formation of these railroads and the continuation of service on similar existing railroads is essential to the national commerce. In many instances, however, viability is dependent on assistance such as provided by these programs.

In summary, the success of the programs in the past has been amply demonstrated and the need to continue the programs is more than adequately supported.

Again, Mr. Chairman, I appreciate the opportunity to express our views on these matters. I would be pleased to attempt to respond to any questions you may have.

NCSRO SURVEY ON CURRENT AND NEW STATE FUNDING PROGRAMS

COMPILATION OF RESPONSES TO SURVEY QUESTIONS

Prepared by

NEW FEDERAL FUNDING TASK FORCE

JANUARY 1986

NCSRO SURVEY ON CURRENT AND NEW STATE FUNDING PROGRAMS

CODE AND QUESTION KEYS FOR STUDY

Question No. 1 Does your state plan to develop and submit to the legislature any new rail funding programs?
Answer: Y = Yes, N = No.

Question No. 2 Does your state have current or new state funded programs for rail rehabilitation and acquisition projects?
Answer: Y = Yes, N = No.

ACQUISITION KEY
2A1 = Yes loans are made for acquisition.
2A2 = Yes grants are made for acquisition.
2A3 = Yes the state does acquire lines.
Number following is percentage of partcipation.

REHABILITATION KEY
2R1 = Yes loans are made for rehabilitation.
2R2 = Yes grants are made for rehabilitation.
Number following is percentage of participation.

Question No. 2A If Yes to No. 2 describe how program works.
2AN = Answer on Response sheet.

Question No. 2B If Yes to No. 2 describe how program is funded.
2BN = Answer on Response sheet.

Question No. 2C If Yes to No. 2 what is annual funding level?
Number is millions of dollars.

FUNDING LEVEL KEY
2C1 = State General Fund.
2C2 = Transportation Fund.
2C3 = Taxes on Railroads.
2C4 = Local Funds.
2C5 = Bonding Funds.
2C6 = Other.(See Response sheet)
If number follows it is millions of dollars.

Question No. 3 Has your state enacted any state funding mechanisms (e.g. taxes on RRs)which have been declared invalid by the courts as being in conflict with Federal 4R act.
Answer: Y = Yes, N = No.

Question No. 4 If no federal funding, what changes does your state intend to make with regard to its rail program?
4N = Answer on Response sheet, N = No change.

Question No. 5 Additional Comments.
5N = Answer on Response sheet.

ALL Questions * = No Response, U = Unknown, V = Varies

NCSPO SURVEY ON CURRENT AND NEW STATE FUNDING PROGRAMS

NO.	STATE	QUESTIONS BY NUMBER									
		1	2	2CODE	2A	2B	2C	2CCODE	3	4	5
1	ALABAMA	N	N	*	*	*	*	*	N	N	*
2	ALASKA	N	Y	2A3*	2AN	*	60.00	2C6	N	N	*
3	ARIZONA	N	N	*	*	*	*	*	N	N	*
4	ARKANSAS	N	N	*	*	*	*	*	N	N	*
5	CALIFORNIA	N	N	*	*	*	*	*	N	4N	*
6	COLORADO	N	N	*	*	*	*	*	N	4N	*
7	CONNECTICUT	N	Y	2A3100 2R2 70	2AN	2BN	0.75	2C5	N	N	5N
8	DELAWARE	N	Y	2A2100 2A3100 2R2100	2AN	2BN	0.15	2C2	N	4N	*
9	FLORIDA	N	Y	2R1N 2R2N	2AN	2BN	ALLOC.	2C6	N	4N	*
10	GEORGIA	N	N	*	*	*	*	*	N	N	5N
11	HAWAII	*	*	*	*	*	*	*	*	*	*
12	IDAHO	N	N	*	*	*	*	*	N	4N	*
13	ILLINOIS	N	Y	2R1100 2R2100	2AN	2BN	3.00	2C5	N	4N	*
14	INDIANA	N	Y	2A160M 2R160M	2AN	2BN	*	*	N	N	*
15	IOWA	N	Y	2A1 80 2R1 50	2AN	2BN	0.94	2C1 2C6	Y	4N	*
16	KANSAS	N	N	A50R50	*	*	*	*	Y	N	5N
17	KENTUCKY	Y	N	*	*	*	*	*	N	4N	*
18	LOUISIANA	N	N	*	*	*	*	*	N	U	*
19	MAINE	N	Y	2A3100	2AN	*	2.00	2C1.2.5	N	N	*
20	MARYLAND	N	Y	2A3100 2R2100	2AN	2BN	0.90	2C2	N	N	*
21	MASSACHUSETTS	Y	Y	2A2100 2A3100 2R2100	2AN	2BN	VARIES	2C5	N	4N	5N
22	MICHIGAN	U	Y	2A1100 2A3100 2R1100 2R2100	2AN	2BN	21.60	2C213.0 2C5 8.6	N	4N	*
23	MINNESOTA	N	Y	2A1100 2A2100 2A3100 2R1 80 2R2 80	2AN	2BN	4.50	2C5	N	N	*
24	MISSISSIPPI	N	Y	2R1 33	2AN	2BN	1.30	2C1	N	4N	*
25	MISSOURI	Y	Y	ALL U	2AN	2BN	0.00	*	N	N	*
26	MONTANA	Y	N	*	*	*	*	*	N	4N	*
27	NEBRASKA	U	N	*	*	*	*	*	N	4N	*

NCSRO SURVEY ON CURRENT AND NEW STATE FUNDING PROGRAMS

NO.	E	QUESTIONS BY NUMBER									
		1	2	2CODE	2A	2B	2C	2CCODE	3	4	5
28	NEVADA	N	Y	2A3 15 2R2 15	2AN	2BN	15%	LRSA	N	4N	•
29	NEW HAMPSHIRE	N	Y	2A2100 2A3100 2R2 70	2AN	2BN	0.10	2C5	N	4N	•
30	NEW JERSEY	N	Y	2A3100 2R2 70	2AN	2BN	2.50	2C2.4	N	N	•
31	NEW MEXICO	Y	N	2R1 30	2AN	2BN	•	•	N	4N	•
32	NEW YORK	Y	Y	2R2100	2AN	2BN	35.00	2C1.5	N	N	•
33	NORTH CAROLINA	U	Y	2A1100 2A2100 2R1100 2R2100	2AN	2BN	0.10	2C1	N	4N	•
34	NORTH DAKOTA	N	N	2A1 70 2A2 70 2R1 70	2AN	•	0.00	•	N	4N	•
35	OHIO	N	Y	2A1 60 2A2 60 2R1 60	2AN	2BN	5.77	2C1.4.6	N	4N	•
36	OKLAHOMA	N	Y	2A3100	2AN	2BN	•	•	N	N	•
37	OREGON	N	Y	2A1 85 2A2 85 2R1 85 2R2 85	2AN	2BN	U	•	N	N	•
38	PENNSYLVANIA	N	Y	2A2100 2R2 80	2AN	2BN	11.50	2C1.4.5	N	N	•
39	RHODE ISLAND	Y	Y	2A3 U 2R2 30	2AN	2BN	2CN	•	N	Y	•
40	SOUTH CAROLINA	Y	N	•	•	•	•	•	N	U	•
41	SOUTH DAKOTA	N	N	•	2AN	•	0.00	•	N	4N	•
42	TENNESSEE	N	Y	2A2 50 2R2 50	2AN	2BN	1.00	2C2	N	U	•
43	TEXAS	N	N	•	•	•	•	•	N	4N	•
44	UTAH	Y	N	2A3 U	2AN	•	•	•	N	N	•
45	VERMONT	Y	N	2A3100	2AN	2BN	0.40	2C2	N	N	•
46	VIRGINIA	N	N	•	•	•	•	•	N	4N	•
47	WASHINGTON	Y	N	•	•	•	•	•	N	4N	•
48	WEST VIRGINIA	N	Y	ALL100	2AN	2BN	1.23	2C1.6	N	N	•
49	WISCONSIN	N	Y	2A2 5 2A3 5 2R1 80 2R2 80	•	2BN	4.00	2C2.5	N	N	•
50	WYOMING	N	N	•	•	•	•	•	N	•	•

NCSRO SURVEY ON CURRENT AND NEW STATE FUNDING PROGRAMS

WRITTEN RESPONSES TO QUESTIONS

STATE	RESPONSE
ALASKA	2AN - State owned RR may request funds if revenues cannot support. None asked for to date. 2C6 - Other = State owned RR revenues.
CALIFORNIA	4N - Phase out of program.
COLORADO	4N - Anticipate reduced effort but no definite plans.
CONNECTICUT	2AN - Railroads submit requests for funds and these are judged on benefit/cost test. 2BN - State bonds cover 70% and RR pays 30% except for public loading docks state funds may be 90%. 5N - Besides bonding there is a tax on RR gross receipts of 2 to 3.5% which can be exempted if the RR has projects equal or greater than the tax.
DELAWARE	2AN - Rehab funds only for state owned lines budgeted in annual budget. 2BN - Transportation funds from turnpike revenues. 4N - Only state funds since 1983.
FLORIDA	2AN - Percentage of state funds is negotiated for each case. 2BN - Rehab funds paid back are used again for FRA approved projects. 2C6 - Other - LRSA(Local Rail Service Assistance) 4N - No assistance for private lines but study in process may make other reccomendations.
GEORGIA	4N - Funds are requested from Legislature for each project.
IDAHO	4N - Reduce to token planning effort with HPR funds.
ILLINOIS	2AN - State bonds and loans using federal funds. 2BN - Revenue bonds up to $25 million in 5 years with $3 and $9 million requested the first and second years respectively. 4N - Loan repayments, LRSA repayments, state revenue bonds and maybe GO bonds.

NCSRO SURVEY ON CURRENT AND NEW STATE FUNDING PROGRAMS

WRITTEN RESPONSES TO QUESTIONS

STATE	RESPONSE
INDIANA	2AN - Rehab loans for freight only Class III RRs for 8 years and 20 years for purchase at 60% of the need or $800,000 maximum at 60% of the interest on 20 year treasury notes updated semiannually.
	2BN - State retail and use taxes and loan repayments.
IOWA	2AN - Rehabilitation thru IRFA or Rail Assistance-acquisition only through IRFA.
	2BN - State General Fund.
	2C6 - LRSA to $250,000.
	4N - Rehab grants changed to loans to create revolving fund.
KANSAS	5N - State was a guarantor on a Federal 505 loan in 1984 underwriting up to 50% of any default on an $18 million loan for purchase and rehab but will need no funding unless there is a default.
KENTUCKY	4N - Proposal to legislature to continue program with general funds at $500,000 per year maximum for primarily new construction.
MAINE	2AN - General fund appropriation line item in 1986 as requested by needs study committee for acquisition and rehab. Transporatation fund line item for cost sharing of crossing maintenance on at grade and bridges at grade separations.
	2BN - New legislation for appropriation from general and transportation funds and bonding to the $850,000 maximum.
MARYLAND	2AN - Only for state owned lines.
	2BN - Transportation trust fund and maybe GO bonds.
MASSACHUSETTS	2AN - Program administered by state agency(EOTC) that has responsibility for prioritizing and disbursing funds appropriated by legislature.
	2BN - GO bonds for acquisition and rehab, General Fund appropriations for continuing service payments. Current bonding level is $24.5 million.
	4N - Seek sufficient state funding.
	5N - FRA $100,000 planning grant should be a federal minumum LRSA program.
MICHIGAN	2AN - State aquires and rehabs lines, may contract for service with private RRs, provide loans to RRs for rehab, and provide funds for development.
	2BN - Transportation funds allocated for rail use plus bonding funds that remain available.
	4N - Continue with state funds.

NCSRO SURVEY ON CURRENT AND NEW STATE FUNDING PROGRAMS

WRITTEN RESPONSES TO QUESTIONS

STATE	RESPONSE
MINNESOTA	2AN - Rail bank program to 100% and 90% for rehab to bankrupt RRs or abandoned lines.
	2BN - General Revenue Bonds.
MISSISSIPPI	2AN - Administered by State Energy and Transportation Board that contracts for rehab only.
	2BN - State General Fund.
	4N - Increase State funding and percentage to 50%.
MISSOURI	2AN - Administered by Railroad Division of Missouri State DOT governed by the Missouri Rail Facility Improvement Authority that has corporate rights to aquire, develop, construct, and maintain rail facilities throughout the state.
	2BN - Railroad Trust Fund created and funded by the the state legislature.
MONTANA	4N - Create state program funded by coal severance tax.
NEBRASKA	4N - State program need to be determined after study to determine current rehab funding needs.
NEVADA	4N - Reduce program to element of modal planning in the statewide multimodal transportation plan.
NEW HAMPSHIRE	2AN - 2.5 million appropriated in 1985 for rehab with 20% matching funds by owner or shipper.
	2BN - State owns two lines and funds these and others thru a bonding program.
	4N - Program would be continued with state funds.
NEW JERSEY	2AN - State identifies needs for 'core' lines and uses benefit/cost studies for eligibility.
	2BN - Part of DOT budget.
NEW MEXICO	2AN - Administered by State Transportation Authority that reviews and prioritizes projects
	2BN - Federal funds.
	4N - Continue with State Funds.
NEW YORK	2AN - Administered by State DOT based on needs that meet cost-benefit guidelines and negotiations to determine participation of parties.
	2BN - Voter referendums, General Fund, and Bonding.
NORTH CAROLINA	2AN - Administered by State DOT as it determines how to best preserve rail service.
	2BN - General Funds with negotiated State share.
	4N - Increase state funds

NCSRO SURVEY ON CURRENT AND NEW STATE FUNDING PROGRAMS

WRITTEN RESPONSES TO QUESTIONS

STATE	RESPONSE
NORTH DAKOTA	2AN - Uses only Federal money, LRSA funds, to 70%. 4N - Program would probably stop.
OHIO	2AN - Grants to local governmental entities. 2BN - General revenue bonds are used.
OKLAHOMA	2AN - Funds only for state owned lines. 2BN - Freight car tax.
OREGON	2AN - Projects must have positive benefit/cost ratio. 2BN - Lottery funds, after Federal funds for rehab.
PENNSYLVANIA	2AN - State determines eligibility for funds. 2BN - State general fund, bonding, and local funds.
RHODE ISLAND	2AN - State has matched Federal funds on occasion. 2BN - Previous State transportation bond issue. 4N - Termination unless state funded.
SOUTH DAKOTA	2AN - State program has expired. 4N - Termination.
TENNESSEE	2AN - Funds only for profitable shortlines. 2BN - State transportation fund, Federal, local, and private funds.
TEXAS	4N - Reajustment of budget allocations to continue.
UTAH	2AN - Possible acquisition before the legislature.
VERMONT	2AN - Proposed in legislative program for approval. 2BN - Transportation fund from fuel taxes.
VIRGINIA	4N - Unknown but rail program was passed in 1984 but not funded, could be reactivated.
WASHINGTON	4N - Proposals would go to legislature for funding.
WEST VIRGINIA	2AN - No loans or grants made to date but possible. State has only done work on acquired lines. 2BN - General fund but have bonding capabilities.
WISCONSIN	2A2 - Participation 100% of real estate, 80% of buildings and track. 2BN - Transportation fund and available Federal funds.

Projected Rail Capital Needs By State

January, 1985

State	Contact Person and Phone Number	Estimated Total Remaining Rail Capital Needs For Rehabilitation & Acquisition
Alabama	George Ray 205-261-6319	$ 4,094,461
Alaska	Dan Malick 907-465-2171	30,000,000
Arizona	Louis Schmitt 602-255-7226	4,029,000
Arkansas	Ed Johnson 501-569-2000	10,085,824
California	James Rae 916-323-4590	11,500,000
Colorado	Harvey Atchison 303-757-9011	924,228
Connecticut	Richard Leete 203-566-4314	3,750,000
Delaware	Thomas Houska 302-736-4593	500,000
Florida	Warren Merrill 904-488-0837	8,154,393
Georgia	James Stanley 404-656-6000	22,819,827
Hawaii	Eiicha Tanaka 808-548-7530	None
Idaho	Ronald Kerr 208-334-3664	3,500,000
Illinois	Merrill Travis 217-782-7820	32,500,000
Indiana	Bruce Madinger 317-232-1420	1,500,000
Iowa	Les Holland 515-239-1646	136.829,000

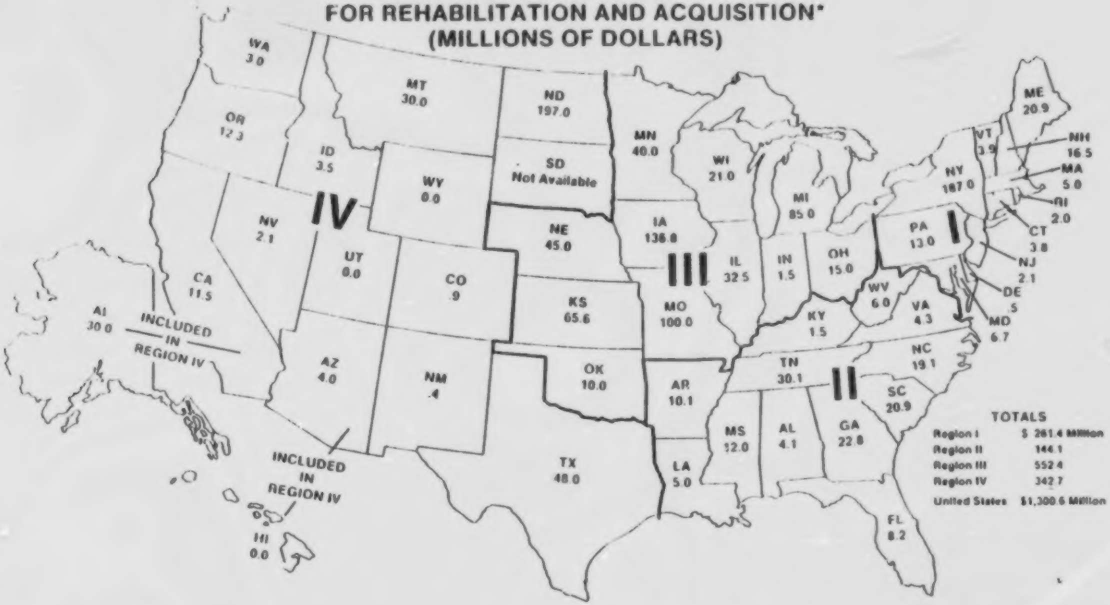
State	Contact Person and Phone Number	Estimated Total Remaining Rail Capital Needs For Rehabilitation & Acquisition
Kansas	John Scheirman 913-296-3526	$ 65,579,500
Kentucky	David Smith 502-564-7433	1,500,000
Louisiana	Harry Reed 504-342-7728	5,000,000
Maine	Russell Spinney 207-289-2841	20,886,000
Maryland	Arthur Ouslander 301-859-7563	6,700,000
Massachusetts	Paul McBride 617-973-7000	5,000,000
Michigan	James Roach 517-373-3335	85,000,000
Minnesota	James Brown 612-296-6028	40,000,000
Mississippi	Thomas Whitten 601-961-4733	12,000,000
Missouri	Robert Hunter 314-751-2551	100,000,000
Montana	Jan Lewis 406-444-3423	30,038,127
Nebraska	Louis Lamberty 402-471-4567	45,000,000
Nevada	Dennis Barry 702-885-3465	2,100,000
New Hampshire	Curtis Hardy 603-271-2468	16,500,000
New Jersey	Ken Kyte 609-292-1530	2,125,187
New Mexico	F.S. Friedman 505-827-4646	432,000

State	Contact Person and Phone Number	Estimated Total Remaining Rail Capital Needs For Rehabilitation & Acquisition
New York	Richard A. Maitino 518-457-5532	$ 187,000,000
North Carolina	Larry Sams 919-733-2807	19,098,000
North Dakota	Bob Evans 701-224-2513	197,000,000
Ohio	George Stanford 614-275-1389	15,000,000
Oklahoma	D. Henry 405-521-2175	10,000,000
Oregon	Ed Immel 503-378-6284	12,316,000
Pennsylvania	Elaine King 717-783-8539	13,000,000
Rhode Island	Joseph Arruda 401-277-2694	2,000,000
South Carolina	Gordon Egli 803-758-2541	20,860,000
South Dakota	Chris Randall 605-773-3265	Not Available
Tennessee	Malcolm Baird 615-741-3227	30,110,000
Texas	Robert Farnsworth 512-445-1183	48,000,000
Utah	Caine Alder 801-965-4351	None
Vermont	Robert Merchant 802-828-2828	3,934,600
Virginia	Robert Corder 804-786-1051	4,300,000
Washington	John Conrad 206-753-3389	3,000,000

State	Contact Person and Phone Number	Estimated Total Remaining Rail Capital Needs For Rehabilitation & Acquisition
West Virginia	Ira Baldwin 304-538-2305	$ 6,000,000
Wisconsin	Ronald Adams 608-267-7348	21,000,000
Wyoming	George Bell 307-777-7471	None

ESTIMATED TOTAL UNITED STATES REMAINING RAIL CAPITAL NEEDS FOR REHABILITATION & ACQUISITION	$1,300,666,147

TOTAL REMAINING RAIL CAPITAL NEEDS BY STATE AND REGION FOR REHABILITATION AND ACQUISITION* (MILLIONS OF DOLLARS)



TOTALS

Region I	$ 261.4 Million
Region II	144.1
Region III	552.4
Region IV	342.7
United States	$1,300.6 Million

*Based upon a survey of state transportation departments conducted in January, 1985

Rail and Water Division
Iowa Department of Transportation
January 1985

Mr. **Lehman**. Thank you very much.

I think one of the best futures you have would be revitalizing some of this commuter rail with preference share money. We are trying to do that in South Florida.

Mr. **Druhan**. They are not getting any of the redeemable preference share money that goes to existing railroads.

Mr. **Lehman**. We are doing it through the existing railroads, but I will talk to you about it later.

Mr. **Druhan**. Good.

Mr. **Coughlin**. Thank you, Mr. Chairman. I was pleased to give my best to Tom Larson.

Mr. **Druhan**. I was going to point out, you asked the previous witness, who were members of their association. I would like to emphasize Mr. Larson is our President this year. The presidency of the association is an annual thing. This is Mr. Larson's turn. He is doing a remarkable job.

Mr. **Coughlin**. He is a remarkable guy.

Mr. **Druhan**. You would be very proud. He is outstanding in the job. Most of them hold the gavel for a year and can't wait until they leave. Tom is really on top of the whole thing.

Mr. **Lehman**. Thank you.

If there are no other witnesses, this is the moment I have been looking forward to. The Committee will now be adjourned. We have concluded our hearing.

[The following statements were submitted to the Committee to be included in the record:]

STATEMENT OF HON. JAMES L. OBERSTAR
to the SUBCOMMITTEE ON TRANSPORTATION
COMMITTEE ON APPROPRIATIONS
April 23, 1986

Mr. Chairman, and Members of this distinguished Committee, I appreciate the opportunity to appear before you today to request funding for several programs and projects:

- $1,751,000 for the continued operations of the National Driver Register;
- Full funding for the U.S. Coast Guard Operating Expense account, especially for USCG operations in the Great Lakes;
- $12 million for Duluth under the Interstate Substitution Program.
- Support for, at a minimum, the Administration's request for Federal Aviation Administration budget for Air Traffic Control and Inspection programs.

NATIONAL DRIVER REGISTER

Mr. Chairman, I appreciate your very important support for the National Driver Register in the past, and urge you to continue this support in Fiscal Year 1987. The Administration has requested $1,751,000 for the NDR, and I concur in this amount.

The NDR is moving ahead with both improvements to the existing system, and in meeting the requirements of the National Driver Register Act of 1982.

The NDR staff have just signed a contract with one of the four states which will participate in the pilot test of the new "Problem Driver Pointer System," program, and expects to sign with the other three in the very near future. NDR expects to start up this on-line system in mid-1987, complete the evaluation by August, 1988, and report the results to Congress during 1988.

While the pilot test for the new system is getting under way, I'm pleased to report that NDR has made a number of improvements in the current Register. The Rapid Response System, an on-line computer connection to the existing NDR file that will respond as fast as the planned PDPS, is being tested in one state and will be offered to a number of states in 1987. It is my understanding that Florida may well be interested in rejoining the NDR and participating in the Rapid Response System. And the Remote Job Entry overnight response system, which operates over normal telephone lines, is now available to 11 states, and 11 more are expected to be added by this summer.

So, while full implementation of the 1982 Act has been extended, I am pleased at the improvements NDR has made in the existing system, and support the Administration's request so that this progress can continue.

COAST GUARD OPERATING EXPENSES

The Coast Guard has requested $1,862,000,000 for Operating Expenses. This figure is identical to the authorization provided by the Merchant Marine and Fisheries Committee, of which I am a Member. I support that request, and urge that the full amount be provided. The Coast Guard fell seriously behind in its funding this fiscal year, although I recognize and commend this Committee for providing additional funds in the Supplemental Appropriations bill now before the House.

However, despite this necessary supplement, and additional transfers by the Secretary of Transprtation, USCG will still be about $100 million short of their real needs. They have made it clear to the Merchant Marine and Fisheries Committee that unless they receive their full request in Fiscal Year 1987 they will have to start making severe programmatic cuts. My very real fear is that these cuts will include, once again, the Search and Rescue stations on the Great Lakes.

Mr. Chairman, I need not remind you of the efforts we went through last year to save the SAR stations: the full series of field hearings, the pleas of commercial fishermen, communities along the North Shore of Lake Superior, recreational boaters and marina operators, all of whom feared for their livelihoods but, more importantly, for their lives as they venture into the treacherous waters of a Lake which looks like an ocean as it stretches away into the horizon. In fact, Lake Superior is in many ways more dangerous than an ocean, in that storms can whip up faster, and waves are shorter and choppier, much harder to navigate in. We need those SAR stations for their life-saving potential.

Even if the USCG receives its full request, it will be funded at only the 1985 level. We are willing to accept that level, but urge that it not be reduced.

INTERSTATE SUBSTITUTION PROGRAM

Mr. Chairman, the City of Duluth has asked me to pass on to you its vey strong support for continuation of the discretionary funding portion of the Interstate Substitution Program. The city has made major improvements in its Federal Aid routes, but will need continued, adequate, assured funding in order to complete its projects.

The Minnesota Department of Transportation indicates a total project need, for Duluth, for Fiscal Year 1987, of $12,841,000 for priority projects for the City. Some of these projects must be completed before work can begin on other projects. One includes desperately, and immediately, needed erosion protection, to prevent the current record high water levels of Lake Superior, which are wreaking havoc all along the North Shore, from washing away a major portion of the North Shore Drive. Another will increase the load limits and provide, at long last, complete access to the Port of Duluth. All of these projects are needed this year.

This Committee has been very generous to Duluth in the past, and I can assure you that I, Mayor John Fedo, and the City's citizens fully appreciate the role this Subcommittee and its Members have played in assuring that the Interstate funds they gave up are being returned to them. I urge you to continue the discretionary fund, and to continue to look kindly upon the City of Duluth.

Air Traffic Control

I would like to express my support of the Federal Aviation Administration's (FAA) goals of increasing the controller work force by 520, and the inspector work force by 138 positions in fiscal year (FY) 1987. However, I see this as the minimum acceptable level of increase in these areas.

The nation's air traffic control system has been undergoing a rebuilding effort since the PATCO walkout of 1981. The system, which we were told would be back to normal by June 1984, is still not back to normal. Testimony before my subcommittee in March of this year indicated that the same problems that have plagued the system since the rebuilding effort began, remain today. Typical of these problems are: the use of massive amounts of overtime, including mandatory overtime in a number of facilities; the use of supervisors to work radar positions, taking them away from their primary function; low morale; and the questionable quality and amount of training for new controllers.

According to FAA's own projections, traffic in FY 87 will increase between 3 and 4 percent over 1986 levels. There simply aren't enough qualified people in the system to handle this growth, and that brings about a kind of "catch 22." For the staffing levels to increase, you must provide on-the-job training (OJT) for new controllers so that they progress through the various positions and gain experience. As these controllers move up, new entry level openings become available. However, without enough qualified people to provide training, overtime must be used. Without money for overtime, the OJT falls off significantly, which has a marked effect on the speed at which the system can grow and recover. Rebuilding will take time, but it must be a priroity item to ensure that the safety of our nation's skies is not further diminished. This situation is likely to be with us for some time, as more and more experienced controllers reach retirement age.

Inspection System

A similar problem exists with the FAA's inspection system. As deregulation took hold and the airline industry experienced unprecedented growth, the inspector force was reaching its lowest staffing level in recent years. It, too, is undergoing the tedious process of rebuilding. You are, no doubt, aware of the recent publicity surrounding the violations found at American and Eastern, the suspension, just this week, of 59 pilots employed by Britt Airways of New Jersey, and the newly released FAA report of the special General Aviation Safety Audit.

I wish to applaud FAA on these recent efforts. At the same time, however, it is important to recognize that these findings resulted from all-out team efforts -- in-depth inspections by special groups of seasoned inspectors -- not from normal surveillance by inspectors assigned to the various operators. The inspector force is still understaffed, and thus, incapable of closely monitoring the training and maintenance programs and the operations of the nation's air carriers, or the other vital functions performed by members of the aviation industry.

As I have stated before, the increase in the numbers of controllers and inspectors in the 1987 budget will not solve our current problems. It takes time for training and assimilation of new hires into the system. We are still anticipating the loss of a great many veteran controllers and inspectors to retirement. For these reasons, it is imperative that we plan ahead to ensure that there will be a continuous flow of qualified controllers and inspectors throughout the aviation system to keep our nation's skies the safest in the world.

Mr. Chairman, again, I am deeply appreciative of your and the Committee's consideration for my requestions in the past, and urge you to give these your fullest review and consideration.

TESTIMONY OF CONGRESSMAN BART GORDON

APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

APRIL 23, 1986

THANK YOU FOR THE OPPORTUNITY TO TESTIFY BEFORE THE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION. I WOULD LIKE TO RECOMMEND THAT THIS SUBCOMMITTEE REASSESS PROPOSED CUTS IN THE FEDERAL RAILROAD ADMINISTRATION'S FEDERAL-STATE PARTICIPATION SAFETY PROGRAM. THE FRA BUDGET, AND THE PARTICIPATION SAFETY PROGRAM IN PARTICULAR, SHOULD BE REVIEWED CAREFULLY BEFORE SHORT-SIGHTED DECISIONS--DECISIONS WHICH MAY COMPROMISE THE SAFETY OF OUR CITIZENS-- ARE MADE.

MY HOME STATE OF TENNESSEE HAS PARTICIPATED IN THE FRA'S FEDERAL-STATE PARTICIPATION SAFETY PROGRAM FOR SEVERAL YEARS. TENNESSEE'S INTEREST AND PARTICIPATION IN THE PROGRAM HAVE BEEN HIGH, WITH SIX STATE INSPECTORS CURRENTLY INVOLVED. AS YOU KNOW, UNDER THE TERMS OF THE PROGRAM, THESE SIX RAIL INSPECTORS HAVE FRA TRAINING AND THEIR SALARIES ARE PAID JOINTLY BY THE STATE AND FEDERAL GOVERNMENTS.

AS YOU ALSO KNOW, THE FRA HAS PROPOSED THE ELIMINATION OF THIS PROGRAM FROM THE FY 87 BUDGET. ON THE SURFACE, THEY SEEM TO HAVE A POINT. ALL OF US UNDERSTAND THAT EXPLODING BUDGET DEFICITS IN RECENT YEARS HAVE MADE SPENDING CUTS NECESSARY--NOT NEXT YEAR, OR EVEN IN A FEW MONTHS, BUT NOW. NEVERTHELESS, I BELIEVE THAT THESE CUTS CAN AND SHOULD BE MADE USING BOTH FAIRNESS AND SIMPLE COMMON SENSE.

BECAUSE I FIRMLY BELIEVE THAT DRASTIC ACTION IS NEEDED TO CONTROL THE DEFICIT, I VOTED FOR GRAMM-RUDMAN. BUT I VOTED FOR IT WITH THE UNDERSTANDING THAT CUTS WOULD BE MADE ACROSS THE BOARD. FRA'S PROPOSED CUTS IN THE FEDERAL-STATE PARTICIPATION SAFETY PROGRAM ARE NOT IN THE

SPIRIT OF GRAMM-RUDMAN. RATHER THAN CUT EACH PROGRAM EQUALLY, FRA INTENDS TO ACCOUNT FOR ITS SHARE OF GRAMM-RUDMAN BY ELIMINATING THIS PROGRAM ALTOGETHER WHILE LEAVING FUNDING FOR OTHER FEDERAL INSPECTION INTACT.

THE COMPLAINTS I AM HEARING FROM STATE OFFICIALS CONFIRM THAT FRA IS MANIPULATING THESE PROGRAMS UNFAIRLY. THESE OFFICIALS ARE WILLING TO BEAR THEIR BRUNT OF THE BUDGET-CUTTING BURDEN, BUT, LIKE ALL OF US, THEY EXPECT THE SACRIFICE TO BE SHARED EQUALLY. THIS PROGRAM IS BEING TARGETED FOR EXTINCTION, AND I THINK THAT'S A BAD IDEA.

I UNDERSTAND FRA'S LOGIC IN CLAIMING THAT IT WOULD BE MORE COST-EFFICIENT TO CUT THE GRANT PROGRAM. BASED ON ITS OWN SURVEY, FRA ASSERTS THAT, IF THE PROGRAM WERE DISCONTINUED, ONLY 34 STATE INSPECTORS WOULD BE LOST. MOST OF THE 32 STATES PARTICIPATING WOULD SCROUNGE UP THE FUNDING TO MAINTAIN THE REMAINING 70 INSPECTORS. BECAUSE $3.2 MILLION WOULD BE NEEDED TO MAINTAIN THE CURRENT 50% FEDERAL FUNDING COMMITMENT, FRA CONCLUDES THAT THE COST OF EACH INSPECTOR LOST WOULD BE AT LEAST $94,400. BASED ON THIS LOGIC, FRA WOULD THUS BE SAVING THE GOVERNMENT A NOTABLE SUM OF MONEY WITHOUT SIGNIFICANTLY SACRIFICING RAIL SAFETY.

BUT I BELIEVE THIS LOGIC IS FAULTY AND THAT THE SUPPOSED SAVINGS ARE ILLUSORY. AS WE ALL KNOW, FIGURES CAN BE MISLEADING. LET ME READ TO YOU SEVERAL LINES FROM A LETTER I RECENTLY RECEIVED FROM PAUL MELANDER, MANAGER OF THE TRANSPORTATION INVESTIGATION DIVISION OF TENNESSEE'S PUBLIC SERVICE COMMISSION. I QUOTE:

"SO WHERE DO I CUT? THE FIRST AREA IS TRAVEL. THE INSPECTORS WILL BE FORCED TO INSPECT WITHIN A DAY'S JOURNEY FROM THEIR HOMES. I WILL

NEED TO PUT A CAP ON THEIR MILEAGE, OVERNIGHT STAY AND MEALS. ANOTHER ALTERNATIVE IS TO WORK LONGER DAYS, SAY FROM EIGHT TO TWELVE HOURS. THIS OPTION LENDS ITSELF TO FATIGUE AND SOMETIMES IS IMPRACTICAL BECAUSE THE RAILROAD OFFICIAL HE MAY INSPECT WITH IS ONLY WORKING 8 HOURS. THEREFORE, OVERALL, THE EFFECTIVENESS OF THE REMAINING INSPECTORS AFTER THE CUTS WILL BE GREATLY DIMINSHED.

IF I AM FORCED TO LAY OFF INSPECTORS, I AM FACED WITH SENIORITY VERSUS THE SAFETY DISCIPLINES. THERE ARE FOUR SAFETY DISCIPLINES AND I HAVE SIX INSPECTORS. EACH OF THE DISCIPLINES IS EQUALLY IMPORTANT IN MY ESTIMATION. BUT HOW DO I TELL A MAN WHO HAS MUCH MORE SENIORITY AND DOES GOOD WORK THAT HE MUST GO IN ORDER TO KEEP THE DICIPLINES INTACT? AND IF I HAVE TO CUT ONE HALF OF MY INSPECTORS, WHICH DISCIPLINES CAN I DO WITHOUT? IT IS A HARD DECISION."

MR. MELANDER'S OWN WORDS REVEAL TWO IMPORTANT FACTS. FIRST, THE EFFECTIVENESS OF INDIVIDUAL INSPECTORS WOULD LIKELY BE DIMINISHED UNDER THE PROPOSED CUTS. SECOND, BEYOND THE LOSS OF INDIVIDUAL INSPECTORS' EFFECTIVENESS, SUCH CUTS IN TENNESSEE THREATEN TO ELIMINATE ONE OF THE PARTICULAR FIELDS OF INSPECTION EXPERTISE, OR SO-CALLED "DISCIPLINES." I WOULD IMAGINE THIS IS ALSO TRUE IN MANY OF THE 32 STATES PARTICIPATING IN THE PROGRAM.

THE MORE ONE LOOKS AT THE STATES' POINT OF VIEW, THE MORE ONE REALIZES THAT FRA'S ARGUMENT FOR THESE CUTS IS MISLEADING. WHILE AS FEW AS 34 INSPECTORS MIGHT ACTUALLY BE LOST, THE OVERALL LOSS TO RAIL INSPECTION IN THE COUNTRY WOULD BE FAR GREATER. EFFECTIVENESS WOULD BE DRASTICALLY DIMINISHED.

FRA'S LOGIC IS ALSO MISLEADING BECAUSE IT FAILS TO ACCOUNT FOR THE RELATIVE PRODUCTIVITY OF THIS COOPERATIVE INSPECTION PROGRAM. FRA'S OWN FIGURES INDICATE THAT STATE INSPECTORS ARE, IN MOST CASES, MORE PRODUCTIVE THAN THEIR FEDERAL COUNTERPARTS. IN FOUR OF SIX CATEGORIES SURVEYED BY FRA, INCLUDING NUMBER OF TRACK MILES INSPECTED PER INSPECTOR, NUMBER OF DEFECTS RECORDED PER INSPECTOR, AND NUMBER OF FREIGHT CARS INSPECTED PER INSPECTOR, STATE INSPECTORS WERE SIGNIFICANTLY MORE PRODUCTIVE THAN FEDERAL INSPECTORS. IN THE LATTER CATEGORY, STATE INSPECTORS DOUBLED THE FEDERAL FIGURE, INSPECTING 11,482 FREIGHT CARS OVER THE FEDERAL INSPECTORS 5603.

AS I SAID EARLIER, FIGURES CAN BE MISLEADING. BUT I BELIEVE THAT, IN THIS CASE, THERE IS COMPELLING EVIDENCE THAT THE STATE SAFETY PROGRAM IS HIGHLY EFFECTIVE. IN TIMES OF LIMITED FUNDS, TAX DOLLARS SHOULD BE SPENT IN OUR MOST PRODUCTIVE PROGRAMS. TO DELETE FUNDING FOR A PROGRAM PRODUCING GREATER RESULTS THAN THE FEDERAL GOVERNMENT'S OWN WOULD BE IMPRUDENT AND SHORT-SIGHTED.

FINANCIALLY, THE STATE INSPECTION PROGRAMS HAVE PROVED A SOUND INVESTMENT THAT GIVES THE FEDERAL GOVERNMENT A TWO-FOR-ONE INSPECTION BARGAIN. IN SOME CASES, TAXPAYERS GET AN EVEN BETTER DEAL. IN TENNESSEE, FOR EXAMPLE, FINES FOR VIOLATIONS RECORDED BY INSPECTORS OFTEN EXCEED THE COST OF COMPENSATING THESE INDIVIDUALS. LAST YEAR, ONE STATE INSPECTOR, WHOSE SALARY WAS $24,000, RECORDED OVER $70,000 WORTH OF PENALTIES FOR VIOLATIONS HE DISCOVERED. THESE MONIES ARE RETURNED DIRECTLY TO THE FEDERAL GOVERNMENT'S GENERAL FUND. IF STATE INSPECTORS ARE DOING THE BEST JOB, LET'S KEEP THEM ON THE JOB.

FINALLY, I THINK THERE IS ONE OTHER FACTOR BEING OVERLOOKED IN THIS

DEBATE, AND THAT IS PUBLIC CONFIDENCE. TENNESSEE, NOT UNLIKE MANY OTHER STATES, HAS HAD ITS SHARE OF RAIL TRAGEDIES. ON FEBRUARY 1, 1978, A FAULTY TRAIN WHEEL CAUSED A DERAILMENT IN WAVERLY, TENNESSEE. TWO DAYS LATER, DURING THE CLEAN-UP, AN EXPLOSION KILLED SIXTEEN PEOPLE AND INJURED OVER ONE HUNDRED. TODAY, PEOPLE IN WAVERLY WILL TELL YOU, AS BAD AS THAT ACCIDENT WAS, OTHER DERAILMENTS IN THE AREA HAVE HAD THE POTENTIAL TO BE EVEN WORSE. THOSE PEOPLE, AND THE PEOPLE IN OTHER CITIES AND TOWNS IN THIS COUNTRY, TRUST US TO DO OUR BEST TO GIVE THEM THE BEST RAIL SAFETY FOR THEIR TAX DOLLAR. I AM CONVINCED THAT, IN ELIMINATING THE PARTICIPATION SAFETY PROGRAM, WE WOULD FAIL IN OUR OBLIGATION TO KEEP THE PUBLIC'S TRUST.

THE PARTICIPATION SAFETY PROGRAM IS A GOOD TAXPAYER INVESTMENT--IT IS SOUND, PRODUCTIVE AND ENCOURAGES VITAL COOPERATION BETWEEN FEDERAL AND STATE OFFICIALS. ABOVE ALL, IT BEST PROMOTES RAIL SAFETY IN MY DISTRICT, IN TENNESSEE AND IN THIS COUNTRY.

CONGRESSWOMAN BOBBI FIEDLER

STATEMENT BEFORE THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TRANSPORTATION

April 23, 1986

Mr. Chairman, I would like to thank the Committee for allowing me to submit this statement expressing my opposition to the proposed Wilshire Corridor Subway in Los Angeles. Unfortunately, I will not be able to deliver this statement personally because of my religious observance of the Passover holiday.

When I first publicly came out against the proposed Metro Rail subway in Los Angeles, I was a lone voice in the wilderness. Since 1983, I'm proud to say that I have been joined by a chorus of public officials from President Reagan to Congressman Waxman, obviously individuals from both sides of the political spectrum. From the very beginning, people have been against this waste of their tax funds. Yet the local politicians refused to allow the voters a referendum on the project.

The reasons for opposing Metro Rail are simple. First, it will not carry enough riders or serve enough people. Second, it costs too much, and third, it is a disaster waiting to happen.

The R.T.D. originally estimated that more people per mile would ride its subway than ride the New York subway. These estimates were made for the R.T.D. by the same company which estimated the Miami system's ridership. Today, the Miami system is carrying a bare ten percent of the riders predicted. What this means to the taxpayer is a massive subsidy to operate the system. For example, the American taxpayer is already subsidizing the Washington, D.C. subway's operation to the tune of $200 million per year. Can you imagine what the Los Angeles subsidy would be?

The cost to construct the Metro Rail subway is also excessive. When I first voiced my opposition to the subway, the estimated costs were $100 million per mile -- the most expensive project of its kind ever proposed. Now the costs have escalated to $300 million per mile and not one shovelful of earth has been turned.

I would also like to inform the Committee that there are indications that the State commitment to this project is declining. In the California State Assembly, Assemblyman Dennis Brown has introduced AB 4193, which would deny all state funds for the Metro Rail project. That bill is currently before the Assembly Transportation Committee. Assemblyman Brown, as Chairman of the Subcommittee on Transportation of the full Committee on Ways and Means, is also holding hearings on April 30, 1986 on the question of whether to reauthorize $27 million in state funds already authorized for the Metro Rail subway. Given these developments, is it prudent for the federal government to enter into a major contract for the Metro Rail subway when continued state funding is in doubt?

Finally, I would like to touch on the safety aspects of constructing the Metro Rail project through areas with methane gas deposits. Last April, a methane gas explosion in the Fairfax area injured twenty two people. Subsequent to that event, the City of Los Angeles convened a blue ribbon panel to study the risk of methane gas explosions in constructing the Metro Rail system. In February, the Technical Review Committee on Metro Rail concluded that the R.T.D.'s plans are inadequate to locate undetected oil wells, prevent rupture by a tunnel excavator, or predetermine the potentially explosive levels of gas that would be encountered. The Review Committee of ten expert geologists and engineers found that the R.T.D. did not have a sensing device or method to insure a reasonable level of safety during construction. Quite the contrary, throughout their hearings and review of the project, the panel described the extreme dangers and compounded risks of going ahead with construction with the UMTA-approved plans for tunneling through MOS-1.

In addition to these problems, the Committee cited the R.T.D.'s failure to have a tunnel liner that would be impermeable to water and explosive gas leaks; their inability to locate and avoid currently unknown but potentially active earthquake faults; and inadequate analysis of an earthquake's impact on the subway, passengers and surround community.

In all, the Committee cited eleven technical problems with the R.T.D.'s construction plan for the Metro Rail system which could have catastrophic consequences in the event of a methane gas explosion. I have attached a copy of these eleven problems for the Committee's perusal.

In my opinion, UMTA has a legal obligation to conduct a new Environmental Impact Statement on MOS-1 addressing each environmental and safety issue raised by the Technical Committee, before any final contract neogtiations proceed. The National Environmental Policy Act requires a Supplemental Environmental Impact Statement when there are significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts (40 CFR 1502.9). Those circumstances now exist, and information has been brought foward that clearly contradicts the Final Environmental Impact Statement and subsequent

FONSI on Metro Rail in 1984.

In conclusion, I would argue that any objective analysis of this proposed subway would show that it should not be built on both budgetary and safety grounds. There are sensible alternatives for rapid transit in the Los Angeles area. City Councilman John Ferraro has presented a light rail plan that makes much more sense than the subway, and could be built for 10 percent of the cost. I urge the Committee to oppose the Metro Rail subway. Don't pour the future of Los Angeles down a four-mile hole in the ground.

Metro Rail Technical Committee
Report Issues

1. A rush of methane gas at higher pressures than found during the Ross explosion could be encountered during construction if an abandoned oil well is struck. Neither Metro Rail nor Cal-OSHA has adequately planned for drilling into abandoned oil wells along the tunnel path. According to panel members such an event has a high probability of occurring because of the unusual number of uncharted oil wells in the area.

2. An active fault may be encountered during tunneling construction. Metro Rail has inadequate procedures for identifying the existance of active faults. The misidentification of an active fault has been mentioned as part of the reason for the Sylmar Tunnel explosion that killed seventeen men.

3. More information needs to be gathered on the groundwater table in the area to determine whether methane gas is under pressure which can present a danger of methane gas at explosive levels.

4. Metro Rail has inadequately assessed the ability of the concrete tunnel liners to transmit water and methane gas into the tunnels. Geologic conditions in the area need to be tied to tests on the liklihood of methane gas and water traveling through the concrete into the tunnel.

5. Metro Rail has not adequately planned for the evacuation of the handicapped during the operation of the subway. Metro Rail management said they plan to rely upon other patrons to evacuate handicapped riders during a major emergency.

6. The monitoring of methane gas has been inadequately addressed. Metro Rail plans to monitor methane gas only at exhaust fan points and not within specific points of the tunnel. This monitoring approach will not quickly identify "hot spots" and allow for fast reaction during operation of the subway.

7. Metro Rail has not provided for any automatic overide of the normal operation of the ventilation system. This can be a problem if methane gas is detected and employee action fails to reduce concentration and pressure of the gas to nonexplosive levels.

8. No backup ventilation has been provided to exhaust methane gas in the event of an earthquake.

9. Metro Rail has not adequately planned for warning and alarms to ensure worker safety during construction.

10. The construction of the tunnel shell includes a requirement for grouting seams which is not adequate to seal the tunnel from methane gas.

11. The Metro Rail consultants have said that tunnel collapse is possible if seismic shaking exceeds .6g which a recent Department of the Interior report has said is likely in Southern California. Metro Rail has not adequately planned for this kind of seismic event.

NATIONAL
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STATEMENT

OF THE

NATIONAL BUSINESS AIRCRAFT ASSOCIATION, INC.,

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION AND RELATED AGENCIES,

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

ON THE SUBJECT OF

FISCAL YEAR 1987

FUNDING OF THE

FEDERAL AVIATION ADMINISTRATION

AND ITS PROGRAMS

Submitted for the record,

April 23, 1986

NATIONAL
BUSINESS AIRCRAFT
ASSOCIATION, INC.

Mr. Chairman and Members of the Subcommittee:

Thank you for allowing the National Business Aircraft Association, Inc. (NBAA) to submit this statement on the President's Fiscal Year 1987 budget proposal for programs at the Federal Aviation Administration (FAA).

NBAA represents the business aviation interests of thousands of companies which operate aircraft as a means to fulfill their daily business transportation needs. As our Member Companies use their aircraft as transportation tools, any impact on the ability of American business to safely and efficiently travel throughout the nation is of great concern to us.

At the outset, understand that NBAA and its membership supports the goal of a balanced Federal budget. Nothing would better allow the leading companies in American business, which comprise our membership, to grow and prosper, alleviating many of the other problems confronting our national economy. We are convinced, however, that the Balanced Budget and Emergency Deficit Control Act of 1985, commonly known as Gramm-Rudman-Hollings (GRH), and proposed FY 1987 budget cuts will have a strong and immediate adverse impact on the interrelated goals of capacity and efficiency in the national system of air commerce and similarly affect the ability of American business to use it.

The impact of budget constraints on aviation will have two facets. The first facet and the source of our immediate concern is that of the everyday operation of the air traffic control system and the ancillary functions of the FAA which support it. The second but no less important facet is the status of and overwhelming need for substantial investment in our nation's aviation infrastructure: airports and heliports and navigation aids and surveillance systems.

OVERVIEW OF THE AIRPORT AND AIRWAY TRUST FUND

As the Subcommittee is aware, the FAA is currently operating under the provisions of the Airport and Airway Improvement Act of 1982 (the 1982 Act). This law and its amendments authorize some $12.685 billion to be spent from the Trust Fund through FY 1987 for airport improvement, research, development and engineering and the upgrading of air navigation facilities and equipment pursuant to the National Airspace System Plan, or NASP. Additionally, the FAA is authorized to draw $8.234 billion from the Trust Fund to pay a portion of its Operations and Maintenance expenses. This "contribution" represents what has been termed the users' share of the cost of operating the airport and airway system and the FAA.

To provide funding for the NASP, a measure accompanying the 1982 Act levied sharply increased Federal excise taxes on non-commercial aviation fuel, air freight and the transportation of persons by air, commonly known as the "ticket tax" but applicable to all commercial air transportation of persons. These user taxes provide the revenues flowing into the Trust Fund.

NBAA and its membership supported the 1982 Act and accompanying tax legislation because of their three-fold promise of expanded capacity, increased safety and enhanced efficiency in the airspace and at the airport. These goals were to be realized through the application of technological solutions to the problems resulting from operating aircraft of the 1980's and 1990's in a system designed in and using equipment dating from the 1950's.

Instead, the 1982 Act has not fulfilled its promise, indeed, has not been allowed by Congress and the Administration to fulfill its promise. As evidence we offer the record system delays encountered during the summer and fall of 1984, when demand for air transportation outstripped the system's ability to accomodate users. Further evidence can be found by examining the restrictions in existence at certain "high traffic density airports" at which operators are required to obtain reservations or "slots" to land or take off solely because the airports' operators have not adequately planned for the amount of traffic now using them or properly used the millions of dollars in airport grants they have received over the years to enhance capacity.

The result of the failure of Congress and the Administration to fulfill the commitments made in 1982 has been to delay the implementation date of numerous system enhancements while deferring expenditures to later years, in some cases possibly into the next century. Further, an uncommitted balance of some $3.5 billion has built up in the Trust Fund, an amount many feel is being "held hostage" to make a dismal Federal deficit appear slightly better. These reductions in funding, coupled with the cuts contained in the President's FY 1987 budget proposal, will combine to reduce authorized spending on FAA capital investment programs since 1982 by as much as $2.3 billion by October 1, 1987.

Ironically, continued failure to expend the revenue deposited into the Trust Fund for the purposes intended has resulted in the repeated "triggering" of a provision in the 1982 Act which automatically reduces the "contribution" to the Operations and Maintenance account by two dollars for each dollar not appropriated to the Facilities and Equipment account. The effect has been to artificially increase the percentage of the FAA's administrative expenses funded from general revenue, compounding the overall Federal deficit situation.

EFFECT ON THE FAA

I. PERSONNEL

The primary damage to the FAA and to our nation's system of air transportation from the proposed FY 1987 budget will result from the throttling of planned increases in staffing levels at the agency. The plans of the Secretary of Transportation to add additional controllers notwithstanding, those positions most affected will be the air traffic controller workforce, barely recovered from the aftermath of the 1981 PATCO strike and still, we feel, understaffed.

Examples of the effect of continued low controller staffing levels include possible closure of low-activity control towers with a reduction in hours of operation or capacity at others. Flight Service Station personnel may also be reduced, possibly resulting in a failure of many operators to be able to receive timely or accurate pre- or in-flight weather information. The impact of reduced staffing levels will not be softened by installation of the automated equipment envisioned by FAA and which, of course, has been delayed through previous funding reductions.

Additional cuts may have to be made in the inspector workforce. The stated goals of the Secretary of Transportation are to increase the number of inspectors by 500 over the next three fiscal years in order to ensure proper adherence to FAA regulations. Increases in the inspector workforce are certainly a goal of this Subcommittee. With reductions of the scope planned, the FAA will be fortunate to retain the number of inspectors it currently has, much less increase it.

Another result will be a reduction in the number of employees available to perform maintenance on electronic navigational aids, air traffic control radars and computers and communications equipment. It is entirely possible that facility outages, either partial or total, will increase in frequency, further adversely affecting capacity and efficiency. All in all, the normal, everyday activities of the FAA will be severely constrained--some may be eliminated altogether.

These examples of staffing constraints at the FAA only scratch the surface, yet they represent the "front-line" of FAA's manpower available in fulfilling its legislative mandate to foster and promote both the safety and growth of aviation. Reduced staffing levels will prevent the timely, flexible flight operations air travelers have come to expect and for which they have paid taxes. The growth of aviation will continue to be stymied, all in the name of providing a slightly better balance sheet for the Federal government.

II. PROGRAMS

The ability of the FAA to expend previously appropriated funds for system improvement and capacity enhancements is also of concern to us. By sequestering funds dedicated to capital improvement programs and thus further postponing needed replacement and upgrading of outmoded equipment, benefit-to-cost ratios will sag, procurement costs will increase and eventual completion of the NASP will be further delayed, if the Plan can withstand this latest of many onslaughts. The simple fact is that many needed system improvements are being postponed at current levels of funding and that further delay brought about by deeper budget cuts threatens both the viability of the NASP and the financial commitments users have made to see it put into operation. The air transportation system will simply be unable to support the future needs of all who depend upon it.

A. Short-Term Projects

Among planned short-term projects the completion of which will have direct contributions to improvements in safety and capacity are the Microwave Landing System (MLS), Automated Weather Observation System (AWOS), implementation of non-precision instrument approaches using LORAN-C and filling of the LORAN-C "Mid-Continent Gap." We note that some of these projects are specifically funded in the President's FY 1987 budget.

Completion of the MLS and LORAN-C projects would provide a greater margin for safe operation at many domestic airports, and help relieve the pressures on the current congested airports. Improvements in safety would come about through the availability of timely, accurate weather information provided by AWOS where, possibly, none is currently provided. Additional improvements in safety would result from increased numbers of instrument approaches at airports where, again, no such capability is available and which do not have the IFR traffic flow to support installation and maintenance of the costly electronic equipment which is required. Completion of these types of projects, of which many more examples exist, would result in immediate capacity and productivity gains and should not be subject to deferrals but should be expeditiously funded.

B. Long Term Projects

Examples of long-term projects which will likely be further delayed under projected budget cuts include procurement of the Host Computer System, Automated Flight Service Station equipment and NEXRAD and Doppler weather radar systems designed to detect windshear and microburst phenomena, the latter two of which figure prominently in the President's budget. Many such projects comprise the "guts" of the NASP. Reductions in funding, over and above those already sustained through inadequate appropriations in earlier years, will surely further delay and perhaps result in the cancellation of these programs, forcing the FAA and aircraft operators of all types to contend with continued operation of an outdated air traffic control system even longer than is now projected.

C. Airport Development

Congestion and delay in the air transportation system begins and ends at an airport. Many airports throughout the country are operating at or near peak capacity with many more expected to achieve that dubious distinction within ten years. Lacking needed and previously-planned investment, airport saturation will soon be the norm, rather than the exception. The unprecedented delays and congestion of late 1984 will be repeated if runways and taxiways are not improved, new and longer, as well as shorter, "stub," runways are not built and the construction of new, more modern airports not begun.

The most recent FAA National Plan of Integrated Airport Systems demonstrates some $18.3 billion in capital investment needs through 1993 at airports throughout the nation. Municipalities and airport authorities simply lack the necessary financial resources and, without the support provided through airport planning and capital development grants from the Airport and Airway Trust Fund, these improvements will not occur.

RECOMMENDATIONS

The root cause of the problems and delays confronting the national system of air transportation is the application of budget constraints to a dedicated funding mechanism which is not now nor has ever been in a state of imbalance. The persistence of the Administration and Congress in asking users to pay for system improvements and then not spending the funds for the purposes intended has resulted in a bewildering patchwork of broken promises, unfunded needs and artificially-imposed operational constraints. This chain of events must be broken and broken immediately. Today, this Subcommittee has just such an opportunity.

Toward this end, we fully support and urge expeditious enactment of legislation to remove the Trust Fund and its programs from the unified budget. We were sorely disappointed that members of this committee did not support last year's effort in the vote on the house floor. We call on this Subcommittee to support such legislation, laying inconsequential jurisdictional problems aside in the greater interest of the safety of air commerce.

Finally, we urge this Subcommittee and Congress as a whole to reject the Administration's FY 1987 budget proposal regarding the FAA. It is a short-sighted proposal and one which places more emphasis on forcing the use of revenues dedicated to system improvement to make up for shortfalls in other agencies than it does on fulfillment of the twin objectives of enhancing capacity and efficiency. It is simply the wrong budget for the times and can only achieve its objectives through amendment of existing statutes allowing the Administration to pull from the Trust Fund for the FAA's FY 1987 administrative expenses much more money than authorized.

Consequently, this Subcommittee and its Senate counterpart should approve and actively seek nothing less than the fully authorized levels of funding for FAA and its programs for FY 1987.

CONCLUSION

In sum, the application of further budget cuts and sequestrations as a result of GRH could not have come at a worse time for aviation. In FY 1986 alone, millions of dollars previously planned for and appropriated by Congress will not be spent to alleviate existing system requirements. Through the life of GRH, untold billions of dollars will be kept from fulfilling the goals and promises for which they were collected from users.

The Congress and the Administration must take immediate steps to forestall the drastic, supposedly unintended, effect of these cuts on aviation programs. Without such steps, the approximately 550 million air travelers each year will find that the resulting system simply cannot support the demand. Anyone who depends on air commerce, such as the banking industry, to move cancelled checks from bank to bank, businesses using small package express services, the Postal Service, the tourism industry and even the military, which uses civilian aviation facilities when operating domestically, will be adversely effected. We can only speculate on the damage to the overall economy and, consequently, to the very effort to balance the Federal budget from which these problems derive.

The future of the FAA, its capital development programs and aviation in general is not a bright one as a result of GRH and the President's proposed FY 1987 budget. We are hopeful that thoughtful, reasoned actions will prevail and that all in aviation can get on about building, expanding and benefiting from the safest, most efficient system of air transportation ever devised.

Again, we thank the Subcommittee for allowing us to present this statement.

American Association of Airport Executives
4224 KING STREET ■ ALEXANDRIA, VIRGINIA 22302 ■ (703) 824-0500

TESTIMONY OF

AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES

SUBMITTED TO HOUSE TRANSPORTATION APPROPRIATIONS SUBCOMMITTEE

APRIL 23, 1986

AAAE IS A PROFESSIONAL MANAGEMENT ASSOCIATION REPRESENTING OVER 1,000 AIRPORT EXECUTIVES WHO ARE RESPONSIBLE FOR THE PLANNING, MANAGEMENT, AND OPERATION OF OVER 600 AIRPORTS NATIONWIDE.

AAAE APPLAUDS THESE TIMELY HEARINGS ON THE EFFECTS OF PRESIDENT REAGAN'S FY '87 BUDGET AND GRAMM-RUDMAN-HOLLINGS ON AVIATION PROGRAMS. ALTHOUGH WE ARE NOT QUALIFIED TO COMMENT IN DETAIL ON FAA AIR TRAFFIC CONTROL OR INSPECTOR STAFFING LEVELS, WE WILL ATTEMPT TO PRESENT SEVERAL ITEMS OF CONCERN TO AAAE AND PROFESSIONAL EXECUTIVES REGARDING AIRPORT SAFETY.

BEFORE WE DISCUSS SOME OF THE DETAILS REGARDING FUNDING FOR THE AIRPORT IMPROVEMENT PROGRAM (AIP), WE URGE THE SUBCOMMITTEE TO FUND FAA'S OTHER PROGRAMS FOR FY '87 AT LEVELS THAT WILL PERMIT THE AVIATION SYSTEM TO OPERATE AT A SAFE AND EFFICIENT LEVEL - $2.8 BILLION FOR OPERATIONS AND MAINTENANCE; $1.16 BILLION FOR FACILITIES AND EQUIPMENT; AND $218 MILLION FOR RESEARCH AND DEVELOPMENT.

IF FUNDING FOR THE AIRPORT IMPROVEMENT PROGRAM IS CUT BY 30 PERCENT IN FY 1987 FROM THE AUTHORIZED LEVEL OF $1.017 BILLION AS PROPOSED IN THE PRESIDENT'S BUDGET, MANY IMPORTANT AIRPORT SAFETY PROGRAMS COULD BE CANCELED OR SERIOUSLY DELAYED, INCLUDING RUNWAY SAFETY OVERRUN AREAS, CRASH-FIRE-RESCUE SERVICES, RUNWAY FRICTION MEASURING DEVICES, AND CONTROL TOWER OPERATIONS AT SMALLER AIRPORTS.

IN SEPTEMBER OF LAST YEAR, AN EASTERN 727 SLID OFF THE RUNWAY AT WASHINGTON NATIONAL AIRPORT DURING AN ABORTED TAKEOFF. FORTUNATELY FOR THOSE PEOPLE ON THAT SHUTTLE FLIGHT, NATIONAL AIRPORT OFFICIALS JUST PUT IN A SAFETY OVERRUN AREA THAT PREVENTED THE EASTERN JET FROM ENDING

UP IN THE POTOMAC RIVER. ALL OF US IN THE AVIATION INDUSTRY HESITATE TO THINK ABOUT THE CONSEQUENCES HAD NOT THAT OVERRUN BEEN BUILT. IF AIRPORT GRANTS ARE REDUCED FOR THE NEXT FISCAL YEAR, OTHER AIRPORTS WILL BE FROM PREVENTED FROM COMPLETING SIMILAR CRITICAL SAFETY ENHANCEMENTS, AS WELL AS OTHER AIRSIDE PROJECTS TO INCREASE CAPACITY.

MR. CHAIRMAN, ANOTHER AIRPORT SAFETY ITEM THAT COULD BE THREATENED AS A RESULT OF THE REDUCTION IN FAA'S BUDGET IS THE IN AREA OF CRASH-FIRE-RESCUE. AS THE SUBCOMMITTEE KNOWS, CERTIFICATED AIRPORTS ARE REQUIRED TO PROVIDE FIRE PROTECTION AT THEIR FACILITIES UNDER FEDERAL AVIATION REGULATION PART 139. DRACONIAN CUTS IN AIP WILL CERTAINLY HAVE A NEGATIVE IMPACT ON THE ABILITY OF AIRPORT OPERATORS TO PURCHASE STATE-OF-THE-ART CFR EQUIPMENT.

A THIRD AREA OF IMMEDIATE CONCERN TO AIRPORT EXECUTIVES IN THE SNOW BELT REGION OF THE U.S. IS THE PROSPECT FOR REDUCED FUNDING FOR THE PURCHASE OF RUNWAY FRICTION MEASURING DEVISES WHICH ARE ELIGIBLE FOR FEDERAL FUNDING. AS YOU ARE AWARE, THE AVIATION INDUSTRY TOGETHER WITH FAA AND NASA HAVE BEEN COOPERATING TO ESTABLISH A STANDARDIZED RUNWAY FRICTION PROGRAM AT PUBLIC-USE AIRPORTS. THIS PROGRAM WHEN IMPLEMENTED WILL ADD A GREATER DEGREE OF SAFETY TO THE SYSTEM BY PROVIDING PILOTS WITH MORE ACCURATE INFORMATION REGARDING THE CONDITION OF RUNWAY FRICTION DURING WINTER OPERATIONS. WE MIGHT ADD MR. CHAIRMAN THAT SEVERAL AIRPORTS MANAGED BY OUR MEMBERS HAVE BEEN PART OF THE TEST GROUP FOR THIS IMPORTANT SAFETY PROGRAM. TO PROVIDE A GREATER SAFETY MARGIN AT AIRPORTS DURING WINTER OPERATIONS, FAA HAS MADE ELIGIBLE FOR FEDERALLY FUNDING SEVERAL RUNWAY FRICTION MEASURING DEVICES, INCLUDING THE MU METER, SAAB, SKIDDOMETER, AND KJ LAW

DEVICE. ACCURATE MEASUREMENT OF RUNWAY FRICTION GIVES THE PILOT MORE COMPLETE INFORMATION AS TO THE LANDING PERFORMANCE OF THAT PARTICULAR AIRCRAFT UNDER ADVERSE WEATHER CONDITIONS. IF FUNDING FOR THE AIRPORT IMPROVEMENT PROGRAM IS CUT, MANY AIRPORTS WILL NOT BE ABLE TO AFFORD THESE FRICTION MEASURING DEVICES. ADDITIONAL AIRPORT SAFETY ITEMS FOR WINTER OPERATIONS FACE AN UNCERTAIN FUTURE BY THESE PROPOSED CUTS, INCLUDING FUNDS FOR PURCHASING SNOW REMOVAL EQUIPMENT AND RUNWAY SENSOR DEVICES WHICH PROVIDE AIRPORT MANAGEMENT WITH CRITICAL REAL TIME INFORMATION DURING WINTER STORMS SUCH AS GROUND AND AIR TEMPERATURE, DEW POINT, WATER DEPTH ON THE RUNWAYS, AND MUCH MORE.

ANOTHER PROGRAM THAT WILL SUFFER AND ADVERSELY IMPACT SAFETY MARGINS IS THE FAA'S CONTRACT TOWER PROGRAM. THIS PROGRAM AUTHORIZES THE FAA TO CONTRACT AIR TRAFFIC CONTROL SERVICES AT LEVEL I VFR CONTROL TOWERS TO THE PRIVATE SECTOR FOR HALF THE COST COMPARED TO FAA OPERATING THE SAME FACILITIES. IRONICALLY, EVEN THOUGH THIS PROGRAM SAVES MONEY IT IS SCHEDULED TO BE CUT. LESS MONEY FOR THIS PROGRAM WILL MEAN THAT MANY SMALLER AIRPORTS WILL BE WITHOUT OPERATING TOWERS.

WE HAVE NOT DWELLED UPON THE OBVIOUS NEGATIVE IMPACT ON AIRPORT CAPACITY IF AIP FUNDS ARE SLASHED. CAPACITY WILL BE SET BACK SERIOUSLY AND WE BELIEVE THAT SOME OF THE OTHER WITNESSES WILL PROVIDE GREATER DETAIL ON THIS ITEM. ALSO MR. CHAIRMAN, WE HOPE THE SUBCOMMITTEE WILL DECLINE THE PRESIDENT'S INVITATION TO ELIMINATE THE EAS PROGRAM IN FY 87. SMALL COMMUNITIES RECEIVED A COMMITMENT IN 1978 AND WE HOPE THAT CONGRESS WILL HONOR THAT PROMISE.

MR. CHAIRMAN, OUR LAST POINT CONCERNS THE USE OF THE AVIATION TRUST FUND. AS EVERYONE IN THE AVIATION INDUSTRY IS PAINFULLY AWARE, THE PROGRAM WAS - AND ALWAYS HAS BEEN - CONTEMPLATED AS A PAY-AS-YOU-GO EFFORT WITH 100 PERCENT OF SYSTEM CAPITAL COSTS PAID BY USER CHARGES. TODAY, EVEN THOUGH WE ARE FACED WITH EXTREME SAFETY AND CAPACITY RELATED SYSTEM PROBLEMS, THE COMMITMENTS MADE TO DEDICATE USER TAX REVENUES SOLELY TO AVIATION PROGRAMS ARE CONTINUALLY DISREGARDED.

WE HOPE THE HOUSE APPROPRIATIONS COMMITTEE WILL HELP TO REMEDY THIS PROBLEM IN FY87.

FINALLY, MR. CHAIRMAN WE WOULD LIKE TO MAKE CLEAR THAT OUR CRITICISMS DO NOT INCLUDE FAA MANAGEMENT. AS FAR AS AIRPORT SAFETY ISSUES ARE CONCERNED WE BELIEVE ADMINISTRATOR ENGEN AND FAA ARE DOING THEIR BEST WITH THE RESOURCES THEY ARE GIVEN. OUR PROBLEM IS THAT TODAY'S BUDGET PROCESS SEEMS TO BE INDIFFERENT TO REAL SAFETY NEEDS.

NATA
Founded
December 28, 1940

NATIONAL AIR TRANSPORTATION ASSOCIATION
4226 King Street • Alexandria, Virginia 22302 • (703) 845-9000

April 18, 1986

The Honorable William Lehman, Chairman
Transportation and Related Agencies Subcommittee
House Appropriations Committee
2358 Rayburn House Office Building
Washington, DC 20515

For the Record - Hearings on Fiscal Year 1987 Federal Aviation Administration Appropriations

Mr. Chairman:

The National Air Transportation Association represents the business interests of the nation's Air Taxi airlines and fixed base operators (FBOs). As such, we are vitally concerned with the status of aviation funding.

We commend the Chairman for holding hearings on the Federal Aviation Administration's (FAA) 1987 budget request, and greatly appreciate this opportunity to present our views for the record.

NATA, like the rest of the aviation industry, is frustrated by the existence of a large Aviation Trust Fund surplus and annual funding that does not keep pace with growing demand, much less prepare for future needs. It is obvious that the revenues in the Trust Fund are being held hostage to artificially improve the general fund deficit projections. After five years of funding below the levels authorized in the 1982 Airport and Airways Improvement Act, we are now faced with massive cuts in FAA spending as a result of the Balanced Budget and Emergency Deficit Reduction Act of 1985, commonly referred to as "Gramm-Rudman-Hollings."

The pattern of these cuts is becoming clearer with time and we are very concerned that a continuation of these cuts will lead to a further dismantling of the ATC modernization program.

NATA does not oppose the concept or the objective of reducing the federal deficit. We feel it may be a necessary step in restoring the fiscal health of the economy of the United States. We do, however, object to the tactic of using the Aviation Trust Fund to conceal the true extent of the deficit. Further, we object most strenuously to those funds being held captive when the need for them is current and growing.

Representing Commercial Aviation Service and Transportation Companies

The Honorable William Lehman, Chairman
April 16, 1986
Page 2 of 5

NATA supported the imposition of an increased level of user taxes in 1982, based largely on Administration assurances that the money would be spent as authorized. The trust between the Administration and industry that we confidently felt existed was violated soon thereafter, with diminishing funding levels appropriated to long-term projects.

While we are concerned with funding shortfalls for airspace modernization, the outlook for airports is equally troubling. Funding levels for airports have repeatedly fallen below the authorization levels. For instance, the authorization for FY 1983-1986 was set at $3.542 billion, but $332 million of that amount has not been appropriated. The 1986 appropriation of $925 million was reduced to $885 million by the deficit reduction legislation. The 1987 Administration budget proposes only $712 million instead of the $1.017 billion previously authorized. At this level, airport capacity cannot keep pace with the FAA's projected annual three and one-half to four and one-half percent increase in air traffic demand.

NATA feels very strongly that long-term projects such as airport development must be funded and programmed at a rate to exceed the air traffic system capacity growth or the air transportation industry in the United States will be faced with ever-increasing landing delays, air or ground holding delays, and an increasing number of slot-constrained airports. At present, we are faced with capacity constraints at four major terminals. Knowledgeable industry sources forecast an increase to 22 capacity limited airports within five years. Within ten to fifteen years that number could grow to about 60. Sources within FAA tell us that an annual funding rate of $600 million is needed just to keep pace with safety related items. A full billion dollars per year is need to put the Airport Improvement Plan back on schedule and in synchronization with the Air Traffic Control System's anticipated demand.

The National Airspace System Plan, originally projected to cost $11.709 billion has risen to $12.259 billion with the addition of Terminal Doppler Weather Radar ($550 million). As you know, this program is driven by F&E appropriations. The first year of the Act, 1982, was the only time that the authorization level was met by a full appropriation, and as a result, there is currently an accumulated short-fall of over $1.5 billion, a full 25% less than the amount authorized.

The President proposes that the 1987 budget include $825 million for F&E and predicts subsequent funding at a level of $1.164 billion per year through 1992. If this comes to pass, we are convinced that some programs will be delayed beyond the programmed completion date of 1992. Historically, delay means higher cost...much higher cost.

We know that the FAA has faced some difficult choices due to the failure of appropriations to meet authorized levels. During FY 1986, to make up for the shortfall, projects were funded at the expense of precision approaches, weather reporting equipment and ATC surveillance radar at small community airports. Each of these programs has a direct effect on the safety of general aviation. We contend that there will be no significant breakthrough in general aviation safety until we have precision approach facilities equivalent to those enjoyed by the scheduled air carriers. For this reason, we strongly encourage the necessary appropriations to bring these programs back on schedule.

NATA is concerned with the FAA's decision to go off full funding in 1987 to minimize the impact of reduced appropriations. We appreciate the fact that the budget level was mandated and we understand the reason for purchasing equipment now, with no money available for its installation or upkeep, and hoping that future years will provide such money. However, we do not share the FAA's confidence that the necessary funds will be provided in the future. It is possible that this approach will, in the short-term, preserve the modernization time-table, but we would feel more comfortable if the problem was met head-on by reinstating funding to the programmed levels.

Among the critical programs taken off full funding in the 1987 budget are such vital items as Terminal Doppler Weather Radar, Air Traffic Control Tower modification or replacement, Flight Service Station Automation, Terminal Radar (ASR-9), Microwave Landing System, VHF Directional Finding, Traffic Management Systems and Center Weather Processing. By so doing, the FAA was able to allocate the $91.2 million conserved to nine other programs to keep the NAS Plan close to the schedule. Those projects are Long Range Radar, Central Flow Computers, Loran C, Safety Related Approach Lighting Systems, 95 AWOS Systems, PAPI lighting systems and straight-in non-precision approach lighting systems.

In addition, some R,E&D programs were either slowed or deferred from fiscal year 1987 budgeting. One such program is the Airport Surface Surveillance which encompasses runway intrusion and automation aids. In our opinion, runway intrusion is one of the foremost aviation safety problems.

Another program with development slowed in 1987 is the Data Link Applications Development, a key factor in automated collision avoidance. The development of sensors for Parallel Runway Monitors to insure safety where simultaneous parallel approaches are used is a joint safety and capacity improvement program that is also threatened. Terminal Air Traffic Control Automation is a casualty of the funding reduction as well as further research into technology for development of windshear detection. In addition, funds are not availabe for development of Oceanic Automated Dependent Surveillance.

R,E&D funding for the first five years experienced a shortfall of $126 million dollars. OMB figures for the next five years allow only $127 million per year for a total of $635 million. FAA programs show a need for almost twice that amount. Significantly, these items are of the fixed cost variety and savings can seldom be realized through cancellation.

An examination of the major FY 1987 R,E&D account discloses a total of twelve such programs. Four of these are of long range value and essential to capacity improvement. They also constitute 67.7% of the cost of the FY 1987 program. The four programs are Voice Switching and Control System Development (VSCS), Aircraft Safety, Automated En Route ATC (AERA) and Advanced Automation. Additionally, the FY 1987 program encompasses Separation Standards, Advanced Traffic Management, TCAS, Terminal Weather Radar, NEXRAD, Aviation Security, Aviation Medicine and Aircraft Noise Pollution.

Further, we are concerned with the funding in the operations account. First, we are unequivocally opposed to the proposed 75% Trust Fund contribution to FAA operations. The implication is that only 25% of FAA operations are of general public benefit, a notion that we simply cannot support.

NATA does support funding for the training of new safety inspectors and for the training of systems maintenance personnel. These are long-term requirements and it is extremely short sighted to curtail funding in these critical areas. It is more destructive to the system viability to place partially or inadequately trained personnel in these fields than it would be to leave the position vacant until the person is fully trained. Systems maintenance has already experienced a decline in personnel of about 17% over the past four years. There has been a similar decrease in safety inspectors.

In conclusion, NATA strongly encourages this Subcommittee to do everything possible to fully fund the FY 1987 aviation programs and oppose the Administration's request to eliminate the 2-for-1 penalty provision and interest payments to the Trust Fund. Furthermore, the reauthorization of the Act must include concrete protections up-front to eliminate the underfunding problems we have experienced with the 1982 Act. NATA recommends the reauthorization include the following:

1. Remove the Trust Fund from the unified budget.

2. Establish taxes at a level to fully fund the airport and airways improvement programs and still draw-down the balance to one billion dollars by the end of the program.

3. Establish a tax trigger whereby taxes would be reduced if appropriations fall below authorizations.

With these three protections built in, we feel more comfortable that spending will actually occur at the authorized levels.

The National Air Transportation Association thanks you for the opportunity to present our views on these critical issues.

Sincerely,

L L Burian

Lawrence L. Burian
President

LLB/pm

AIRPORT OPERATORS COUNCIL INTERNATIONAL

TESTIMONY OF THE

AIRPORT OPERATORS COUNCIL INTERNATIONAL

ON THE

FISCAL YEAR 1987 FAA BUDGET REQUEST

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION
HOUSE APPROPRIATIONS COMMITTEE

April 25, 1986

International Headquarters: 1220 Nineteenth Street, N.W., Suite 800, Washington, D.C. 20036
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STATEMENT OF THE AIRPORT OPERATORS COUNCIL INTERNATIONAL ON THE FY 87 FEDERAL AVIATION ADMINISTRATION BUDGET REQUEST

Mr. Chairman and Members of the Subcommittee:

The Airport Operators Council International is greatly concerned over the grave situation facing the nation's airport and airways system. The on-going problem of underfunding for development of the airport and airways system is now compounded by the stark reality of more drastic budget cuts mandated by the Gramm-Rudman-Hollings law and reflected in the administration's inadequate FY 87 budget request. This situation bodes ill for the safety of our national aviation system and the development of airport capacity needed to meet the growing demands on the national system.

In 1982, aviation users were told by Congress and the administration that if they agreed to pay increased levels of taxes to a federal Airport and Airway Trust Fund, they would be assured of specific and dedicated expenditures for airport and aviation facility improvements that all agreed were necessary. As we all know, the Congressionally authorized levels that were established for the Airport Improvement Program at that time have never been met throughout the existence of the program, and significant underfunding has occurred in the Facilities & Equipment and Research, Engineering & Development programs as well. Congress and the administration have failed to live up to the commitment made to the aviation users and industry.

Airport Improvement Program FY 86 Reductions

Since the inception of the Airport Improvement Program, funding levels have already fallen $360 million short of the fully authorized levels. In addition to the historical underfunding of the program, AIP was reduced by an additional $40 million for the balance of FY 86 because of Gramm-Rudman-Hollings. Funding for the airport grants program was cut back by 9 percent in the FY 86 Continuing Resolution from the $1.017 billion authorization, leaving $925 million, the same level as in FY 85. Then, on March 1 of this year, that level was further reduced by 4.3% to $885 million as a result of Gramm-Rudman-Hollings. The brunt of those cuts will be felt in the discretionary program, which will suffer a 17% reduction, from approximately $129.4 million to $106.6 million. Cuts of this magnitude will seriously jeopardize needed safety and capacity projects at many airports.

The FAA will be hard pressed to award discretionary grants to those airports having the greatest need for pressing capacity enhancement projects. Airports have already been informed by the FAA that commitments made to them for discretionary funds to expand runways and finance other essential projects must be stretched out or deferred because of the March 1 reductions. Many airports rely on the discretionary program to provide funds for safety and capacity enhancment projects, particularly where entitlement funds are insufficient. Those airports which had commitments for FY 86 are now faced with the choice of delaying or abandoning those projects.

Additional FY 86 AIP Cuts For FAA Supplemental Request

Now airports are faced with the possibility of another reduction in AIP grants of $43.7 million which DOT intends to use to cover over half of its supplemental funding request for FAA operations expenses. FAA has informed airport sponsors that 4.9% of their FY 86 entitlement funds will be withdrawn in anticipation of Congressional authority to transfer those monies in the Supplemental Appropriations bill. If Congress approves this reduction and transfer, the airport program will suffer a greater cut than it has already under Gramm-Rudman, while other DOT/FAA programs escape further reductions. Airports are willing to contribute their fair share towards reducing federal deficits, but we submit that airports have already paid their dues in each and every appropriation that has cut back the AIP program expenditures. The airport program is paying far more than its fair share under Gramm-Rudman. While we recognize the serious budget constraints facing FAA and the need for supplemental funding, it is inappropriate and ill-advised to take monies from AIP -- which may jeopardize important airport safety and capacity projects offering long-term system benefits -- in order to reduce the budget impact on FAA operations, 75 percent of which are personnel costs. AOCI strongly objects to this transfer and urges Congress not to authorize it. We commend the members of the Subcommittee and the House Appropriations Committee for taking the proper action in approving the FAA's supplemental request but with new money, rather than raiding the already constrained AIP program.

Administration's FY 87 Budget Request

As serious as the reductions for FY 86 are, it appears that airports face even deeper problems for the administration's fiscal year 1987 budget would further decimate the Airport Improvement Program. The $712.5 million request for AIP would fall $305 million short of the authorized level for FY 87, leaving the five-year AIP program underfunded by over $665 million. It would represent a 23% reduction from the $925 million funding level provided in the Continuing Resolution for FY 86. The entitlement program, by formula, would be cut 20% in FY 87 to $356 million, while discretionary funds would suffer a 36% reduction to $83.3 million.

The F&E and R,E & D budgets would be similarly reduced in the administration's request to 30 percent below their authorized levels. Such cuts could have serious consequences on the National Airspace System modernization plan, and R & D essential to airport and airspace capacity and safety improvements.

The administration's FY 87 budget would further erode public confidence in the Aviation Trust Fund by taking some $2.1 billion from its capital programs to help cover FAA Operation and Maintenance costs. Aviation users would thus shoulder the greatest share of FAA operation expenses and witness their user taxes being diverted from the purposes for which they were dedicated.

Because Congress and the administration have seen fit to arbitrarily reduce user tax spending for capital development needs over the years, and have thus allowed obscene surpluses to accumulate in the Trust Fund, those funds would now be diverted to unintended purposes. AOCI strongly opposes such misuse of the Trust Fund. We also oppose the administration's attempt to eliminate interest payments to the Trust Fund which have been earned on its balance, and to eliminate the "penalty provisions" which tie Trust Fund spending for operations to capital spending levels.

Aviation Trust Fund Must Be Taken "Off-Budget"

While we would all agree that every effort should be made to assure that safety is not compromised, it is ludicrous that we find ourselves in the situation where the airport program is being "cannibalized" by DOT, when the resources necessary to fully meet aviation and airport needs are available in the Aviation Trust Fund. The level of aviation user taxes is not the problem; they are contributing fully sufficient funds for the Trust Fund. The dedicated user taxes generate some $4 billion a year for the Trust Fund, and the Trust Fund surplus has been allowed to grow steadily. At the end of fiscal year 1985, the Trust Fund had accumulated a cash balance of $7.7 billion and an unobligated cash balance of $3.3 billion -- and it is still growing. Trust Fund programs are fully self-financing and have contributed not one cent to the federal deficit. Yet the surplus has become a tool for federal deficit reduction purposes.

The need is there, the money is there, but what is lacking is the federal government's resolve to spend Trust Fund monies and fully fund its programs. The only way we believe this can be assured is by Congress recognizing that Trust Fund programs do not contribute to the deficit and removing the Trust Fund from the unified federal budget. Further, these programs must be protected from the inappropriate and unacceptable Gramm-Rudman reductions. This action is absolutely essential to restore the integrity of the Trust Fund and assure full funding of the vital aviation programs for which user taxes have been dedicated.

Airport Development Critical to Airspace Expansion

The need for expanded airport facilities for safety and capacity has been well recognized. The FAA's National Plan of Integrated Airport Systems (NPIAS) projected AIP-eligible development needs for commercial service airports of $12.3 billion for the ten-year period 1984 - 1993, of which about $6 billion will be needed to enhance system capacity. AOCI estimates that total development costs at these airports is close to $27 billion over that same period. AOCI's own survey for the five years from 1986-1990 reveals capital development needs of $19.4 billion. The AIP program plays a critical role in airport development and contributes about $1 for every $3 of eligible airport safety and capacity capital financing. To fully meet needs of such magnitude over the next five years will require nearly $1.3 billion in federal grants annually.

The federal commitment to modernize and expand the national airspace and navigation system makes it critically important that airport development needs be met concomitantly. Development and expansion of the airspace and airport systems must go hand in hand. The nation can forget about using its expanded airspace system unless adequate resources are made available to increase airport capacity. Airports can barely handle today's air traffic demand -- as evidenced by the growing number of airports operating at or above capacity limits -- and the FAA projects passenger enplanements (air carrier and commuter) will increase dramatically from 400 million currently to over 700 million by 1997. According to the FAA, eleven airports were seriously congested in 1984, and 22 airports (which account for over 50 percent of air carrier enplanements) will become seriously congested by 1995 unless their capacities are increased. The inextricable problems of aviation safety and capacity will only be compounded by underfunding of the airport program. The importance of safe and adequate airport facilities should not be underestimated; they are a critical link in the overall air transportation network.

Airport Research & Development Needs

We also urge this Subcommittee and the Congress to give immediate attention to the Research and Development funding needs for airport capacity enhancement. The testimony of the Industry Task Force on Airport Capacity Improvement and Delay Reduction identifies many R & D projects which are essential for short and long-term capacity improvements. It is critically important that funding be provided for those projects through a separate "Airport R&D" line item in the FAA budget in order to assure that airport capacity keeps pace with airspace capacity.

Conclusion

In conclusion, AOCI strongly urges Congress to reject the Administration's FY 87 budget request for the Airport Improvement Program and other Aviation Trust Fund-financed programs and live up to its commitment to aviation needs. The Appropriations Committee should appropriate the full authorized level of $1.017 billion for the Airport Improvement Program.

TESTIMONY BY

J. Donald Reilly, Executive Director
Airport Operators Council International

on behalf of the

INDUSTRY TASK FORCE ON AIRPORT CAPACITY IMPROVEMENT AND DELAY REDUCTION

on the

FISCAL YEAR 1987 FAA Research, Engineering
and Development Budget Request

before the

Subcommittee on Transportation

House Committee on Appropriations

April 25, 1986

STATEMENT OF J. DONALD REILLY, CHAIRMAN OF THE INDUSTRY TASK FORCE ON AIRPORT CAPACITY IMPROVEMENT AND DELAY REDUCTION, BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Mr. Chairman and members of the Subcommittee:

A lack of airport capacity is the root-source of today's aviation congestion problems. This will become even more evident as the national air space program comes on line. Thus, while airports are a major cause of congestion today... as more capacity is provided in the air through the new air space program... the airport short falls will grow dramatically as the bottleneck of civil aviation delays and prospective safety problems, both in the short and long term.

This situation is critical and must be addressed by Congress now. What is needed are airport R and D funds.

There exist today a number of technological concepts which can be introduced in the short term to enhance immediate airport capacity. There are also various technological concepts that exist to provide larger increases in airport capacity in the longer term.

A number of these concepts have evolved from an Industry Task Force on Airport Capacity Improvement and Delay Reduction, assembled by FAA in 1982, and which presented its first report to FAA on September 29, 1982. Since that time the Industry Task Force has held numerous meetings further refining its airport capacity improvement recommendations for the FAA.

The FAA, through Administrator Engen, has been very supportive and generously active in this Task Force effort. But because of miniscule R and D funds for airports, progress has been tortuously slow.

This crying need deserves -- and demands -- Congress' immediate attention. On behalf of the Task Force and its members, who constitute a cross-section of all major segments of the industry, we ask for your support and action to provide the necessary R & D funds for the programs described in this statement. And we are not asking for funds that do not exist. We ask for funding from the three-billion-dollar-plus uncommitted aviation trust fund surplus that already exists and is lying fallow.

These funds are needed to further research, simulate, demonstrate and implement the industry agreed to Task Force recommendations, including high accuracy radar sensors and computer needs associated with the recommendations.

These Task Force concepts will produce high pay off in providing the absolutely needed increased airport capacity and safety needs of the 1980s and 1990s. Without the funding of these needs the relative chaos we experience today at many of our major airports will spread dramatically, compromising the nation's civil aviation system and impacting safety.

Total aircraft operations at the top thirty-nine U.S. airports are forecast by FAA to rise by one-third in the 1980s and, assuming no change in the existing capacity of these sites, average delay per operation may grow by as much as 47 percent.

Valuing delay at 1980 unit costs and extrapolating to a total system basis, air carrier delays would have an upper bound cost of $2.7 billion per year by 1991. The combined effect of increased operations and increased average delay could be to increase systemwide air carrier delays up to 39 percent.

Eleven of the top 39 airports are constrained according to FAA forecasts and eight additional airports have high projected ratios of use-to-capacity. Congestion as these 19 airports -- which account for over 51 percent of air carrier enplanements -- could, alone, degrade the overall capacity of the national transportation system according to existing FAA projections.

The number of aircraft operations are forecast to grow from 134 million in 1980 to 290 million by the year 2000, a 116 percent increase.

Domestic enplanements are forecast to increase for air carriers from 278 million in 1980 to 590 million in 2000, a 112 percent increase; while over the same period the number of commuter passengers will grow from 13 million to 42 million, a 220 percent increase.

Between the year 1980 and 2000 the air carrier fleet will increase from 2,400 to 3,400 (42 percent), the commuter fleet from 1,600 to 4,500 (175 percent), and the number of general aviation aircraft from 210,300 to 408,500 (94 percent).

Forecasts by FAA indicate that the number of airports with severe airside congestion, alone, will be as follows:

Year	Air Carrier	Commuter	Reliever	General Aviation	Total
1981	8	--	3	--	11
1985	11	1	7	--	19
1990	23	5	11	2	41
2000	46	9	29	7	91

While the Task Force continues to further develop and cost-out various concepts ,the following are immediate, documented airport R and D funding needs:

1. Reduced Aircraft Longitudinal Separation

To safely reduce spacing between aircraft in-trial while approaching to land. Dependent on airport flow and configuration this can add one to six flights per hour.

FY 86	FY 87	FY 88	FY 89
150,000	160,000	170,000	180,000

2. Independent Parallel IFR Approaches at Reduced Spacing

With today's technology it is possible to safely reduce spacing between parallel runways from the current 4,300 feet to as low as 3,000 feet, thus providing airports the opportunity to construct new runways on present airports. The spacing and purchase of an appropriate radar with higher revolve is imperative to early implementation of this program.

FY 86	FY 87	FY 88	FY 89
1,000,000	8,000,000	8,000,000	8,000,000

3. Independent IFR Approaches to Converging Runways

Many airports will benefit from the introduction of independent aircraft operations to existing converging runways. Effort is needed to develop the procedures, establish the requirements and validate the methods for enhanced operating minimums.

FY 86	FY 87	FY 88	FY 89
300,000	300,000	4,000,000	4,000,000

4. Use of Short Runways and Triple Parallels

In order to conduct FAA analysis of optimum application of Mode S, MLS and sensor technologies to introduce shorts and triples for enhanced airport capacity.

FY 86	FY 87	FY 88	FY 89
200,000	--	--	--

5. Data Research

To undertake data collection research on pilot reaction to missed approaches for establishing procedures for closely spaced parallels and converging runway operations.

FY 86	FY 87	FY 88	FY 89
500,000	250,000	--	--

6. Terminal and Airport Automation

To undertake parametric studies to establish optimum methods of terminal and airport automation.

FY 86	FY 87	FY 88	FY 89
300,000	300,000	--	--

7. Computer Modeling

While the FAA is providing funds to upgrade the ADSIM computer model which addresses detailed airfield capacity options, funding is needed for:

SIMMOD - an airport air space computer model which analyses air space options to enhance capacity.

FY 86	FY 87	FY 88	FY 89
305,000	--	--	--

Joline "Airport Machine" - an airport display computer which provides quick "first-look" evaluations of specific airport capacity options.

FY 86	FY 87	FY 88	FY 89
950,000	860,000	690,000	720,000

8. Local Airport Capacity Task Forces

Funding to support the cost of local airport capacity task force (FAA, airport, and local aviation users) to examine, evaluate and introduce local capacity enhancements after computer simulations, at an average cost of $160,000 per airport.

FY 86	FY 87	FY 88	FY 89
30,000	610,000	610,000	610,000

9. Funds to Support Task Force Applications

As important as the development and FAA approval of Task Force recommendations are the analytical studies for airport site specific application of the various capacity enhancement techniques.

FY 86	FY 87	FY 88	FY 89
1,000,000	1,000,000	1,000,000	1,000,000

10. Airport Pavement R & D

Airport runway outages account for some 20% of total delays. There are about 650 million square yards of pavement at U.S. airports representing a replacement value estimated at $100 billion. Yet there is no R & D for maintaining and improving the existing facilities and supporting research to reduce or resolve problems contributing to runway construction delays at congested airports. FAA must undertake a long-term airport R & D program for improved runway pavement technology, materials and construction techniques, control of snow and ice, improving operational capabilities under low visibility, airport lighting systems, airport system controls, wind-sheer, etc.

FY 86	FY 87	FY 88	FY 89
1,000,000	5,000,000	5,000,000	5,000,000

11. Total Airport R & D Funding Needs

FY 86	FY 87	FY 88	FY 89
5,835,000	15,480,000	19,470,000	19,510,000

Mr. Chairman, in concluding, I request your urgent attention to this pressing need, and the action of this Committee to help provide the airport R & D funds required. Such adequate funding must be provided through a new and separate "Airport R & D" FAA budget line item in order to protect the use of these important funds for the purpose intended.

STATEMENT OF JOHN J. KING, CHAIRMAN

METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY, TEXAS

BEFORE THE SUBCOMMITTEE ON TRANSPORTATION AND RELATED AGENCIES

HOUSE COMMITTEE ON APPROPRIATIONS

APRIL 24, 1986

Good morning, Mr. Chairman and Members of the Subcommittee. I welcome the opportunity to appear before you today. I will discuss the recent accomplishments and future plans of the Metropolitan Transit Authority of Harris County, Texas (Houston METRO) and describe our new start funding request for the coming fiscal year.

I appreciate the commitment of the Chairman and Members of this Subcommittee in providing a sound federal mass transit assistance program which has enabled METRO to improve and expand its facilities and services for the citizens of the Houston area. We are proud of the achievements you have helped make possible in Houston and we take pride in our ability to combine federal, state, and local funding resources to develop cost effective transit projects.

North Freeway Transitway Expansion and Improvements

For FY 1987, METRO is requesting an appropriation of $47 million in Section 3 funds to extend and improve the North Freeway Transitway started in 1982. This amount represents 50% of the total estimated project cost of $94 million. The balance of the funds will be provided by METRO and the Texas State Department of Highways and Public Transportation (SDHPT). The project will be implemented jointly by METRO and SDHPT.

The project includes a 5.6 mile extension of the North Freeway Transitway designed to carry buses and vanpools in the median of Interstate 45 from Beltway 8 to FM 1960 (Exhibit A). The North Freeway itself will be expanded from six to ten lanes. The project also includes new transitway access facilities from existing METRO Park & Ride lots and a new Park & Ride facility at Stuebner-Airline. Upon completion, the North Freeway Transitway will extend 21 miles from downtown Houston to FM 1960.

Five-Year Capital Improvement Program

The planned extension of the Northwest Freeway Transitway is an integral part of METRO's current $600 million Five-Year Capital Improvement Program. This Program includes construction and operation of almost 70 miles of transitways along regional freeway medians, with associated Park & Ride lots, transit centers, bus operating facilities, improved local bus service, and improvements to downtown streets and traffic improvements jointly funded with other agencies. These transitways and related improvements represent the first phase of METRO's Regional Transit Plan.

METRO's five-year transitway program is outlined in Exhibit B. Transitway operation began in Houston on the Katy (I-10) and North (I-45) Freeways in 1984. The North Freeway Transitway, currently 10 miles long with a five-mile extension underway, carries over 14,000 passengers per day. It is projected that daily ridership will increase to 25,200 passengers with the planned extension. The first phase of the Katy Freeway Transitway opened in the fall of 1984 and is now carrying 6,600 passengers per day.

Last year, Congress appropriated $54.75 million in Section 3 funds to complete METRO's Northwest and Southwest Transitway construction projects. Construction is expected to begin on the Northwest Transitway in August 1986. The transitway will be completed by April 1988 and will carry up to 6.5 million passengers annually. Preliminary engineering for the Southwest Transitway is underway, and construction is expected to commence in April 1987. When fully operational in 1990, the Southwest Transitway will cut rush hour travel time from the I-610 Loop to the western limits of the city by two-thirds. The total cost of the two transitways is $210 million, with $105 million provided by UMTA and $105 million derived locally.

Development of a Regional Transit Plan

In October 1984, METRO proposed to the public in conceptual form a Regional Transit Plan developed in cooperation with other transportation agencies in the region. The plan consists of METRO's ongoing Five-Year Capital Improvement Program, followed by a second phase involving a loop system to connect the radial transitways currently under construction.

METRO conducted public meetings on the plan throughout the region. After due consideration of the public comments, the METRO Board decided in June 1985 to recommend a long range plan providing for improved and expanded bus service with transitways connected to major employment centers by a light rail loop. Because revisions were necessary in certain geographic areas of the city, the Board withheld formal adoption of the plan pending further staff work.

The recent deterioration of the Houston economy due to falling oil prices has created uncertainty as to the economic assumptions upon which the Regional Transit Plan is based. For example, the impact of current economic conditions on population, employment, sales tax revenues and ridership is not yet fully known.

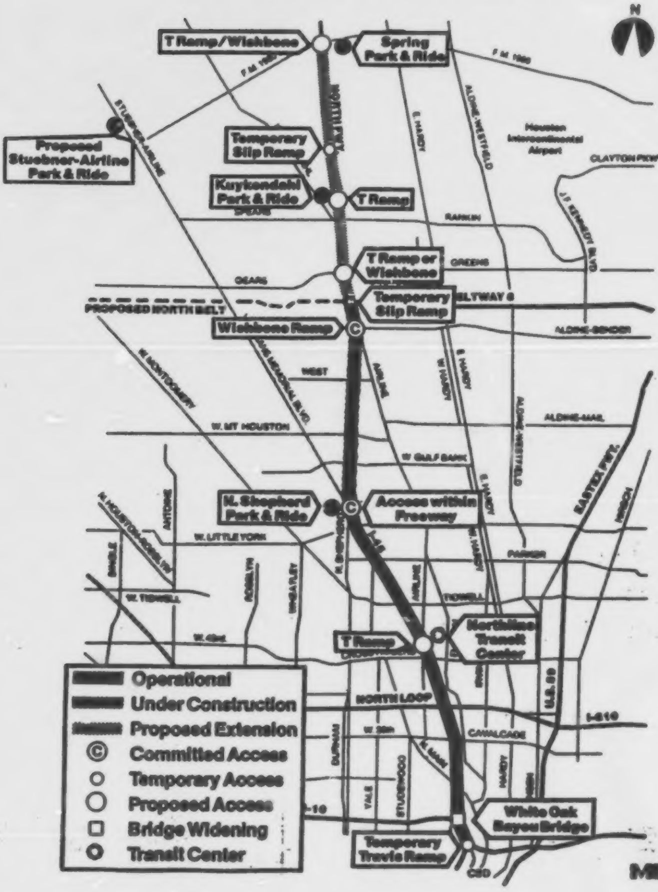
In order to assure continued progress in implementing the Regional Transit Plan, the METRO Board has adopted the Plan with certain revisions and has instructed the METRO staff to conduct a detailed alternatives analysis of the proposed loop project. This will ensure that the project attracts a high level of ridership and proceeds on a solid financial footing.

METRO plans to continue with development of the transitways which form the basis of the Regional Transit Plan. As evidenced by the success of our existing transitways, these facilities will be a necessary part of any comprehensive transit system for the region. On behalf of the citizens of our service area, I respectfully request the Subcommittee's continued support of our programs and funding request.

Thank you again for providing me the opportunity to appear before the Subcommittee. I would be pleased to answer any questions you may have.

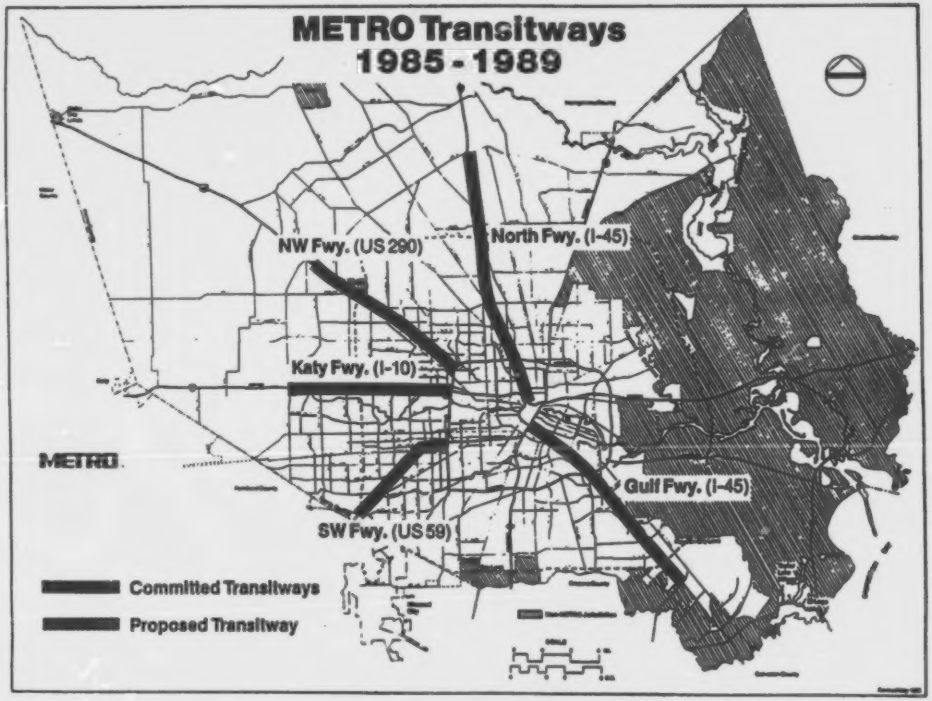
Exhibit A

North Freeway Transitway Proposed Extension



METRO

Exhibit B


METRO Transitways
1985 - 1989
NW Fwy. (US 290)
North Fwy. (I-45)
Katy Fwy. (I-10)
METRO.
Gulf Fwy. (I-45)
SW Fwy. (US 59)
Committed Transitways
Proposed Transitway

TESTIMONY
SUBMITTED BY
MILTON SEES, CHAIRMAN
CAPITAL CITY RAILROAD RELOCATION AUTHORITY
BEFORE
SUBCOMMITTEE ON TRANSPORTATION
COMMITTEE ON APPROPRIATIONS
APRIL 23, 1986

Thank you for the opportunity to submit a statement for the record on behalf of the Capital City Railroad Relocation Authority of Springfield, Illinois, in order to bring you up-to-date on our activities concerning the Railroad-Highway Crossings Demonstration Program.

First, I want to thank our Congressman, Dick Durbin, along with the Chairman and the entire Appropriations Committee for your assistance last year with our Southwest Springfield rail relocation project. Your earmarking of $5.3 million in the Supplemental bill last year enabled us to proceed with our plan to eradicate a dangerous railroad segment from our neighborhoods. We are almost at the point of obtaining right-of-way and beginning construction. Your report language of last year which permits us to proceed with right-of-way acquisition once our plan is formally accepted will greatly accelerate our work and is very much appreciated.

Our environmental assessment is expected to be approved on next Monday, April 28, 1986. In addition, the Design Report should be completed and approved by mid-May with final design beginning within the next two weeks.

Therefore, in order to proceed with this segment, which would eliminate four dangerous grade crossings, we respectfully request $7.4 million in construction funding for this year.

The entire cost of the project would ultimately be $22.6 million, of which you have already funded $5.3 million. This funding level is substantially less than the entire rail relocation plan accepted by the Federal Highway Administration in 1983 which would have cost approximately $225 million. Given budgetary constraints, the Authority looked at the possibility of identifying usable segments which would be less costly than fully implementing the ultimate relocation plan.

Residents of southwest Springfield had expressed a great deal of interest in alleviating the hazardous situation in their area. The Norfolk and Western Railroad runs through a high density residential and mixed land-use area in Southwest Springfield. Access to much of this area is provided by a narrow underpass which has become dangerous to motorists, bicyclists, and pedestrians.

The Authority determined that the Southwest Springfield Usable Segment would replace the overall plan which was not financially feasible. In short, the Southwest Springfield usable segment is designed to relocate facilities of the Illinois Central Gulf Railroad and the Norfolk and Western Railway railroads into a single corridor on the periphery of the area.

Currently, these railroads disect rapidly urbanizing areas of the City, disrupting traffic circulation and development patterns while causing numerous safety hazards and inconveniences.

As the following brief outline shows, the benefits from this project are numerous:

o Safety--elimination of four grade crossings, one having recent history of fatal accidents, as well as eliminating an existing substandard Norfolk and Western Railway bridge;

o Economic--the existing pattern of rail lines divides what would normally be considered conventional trade areas of business. This project would improve access between residential and commercial areas, and

o Environmental--removal of air and noise pollution for several residential areas with minor impact on one residential community; elimination of drainage and flooding problem by raising a major road's grade; relocation of railroads to lessen hazards of carrying toxic and potentially explosive materials through residential areas.

For further detail, I refer you to the environmental assessment document included for the record. This document fully explains the history of our project, the environmental considerations, and some degree of the engineering details of the project. Also included are some letters of support from community leaders.

Mr. Chairman, Mr. Durbin, and Members of the Committee, I respectfully request, on behalf of the citizens of Springfield and the Members of the Authority Board, that you earmark in your bill this year the funds necessary for us to proceed with eliminating these hazardous conditions in our neighborhoods. You launched us on this mission last year, for which we are grateful, and we would appreciate your continued assistance in this important safety venture.

Thank you for your time and attention.

(An Environmental Assessment for the Springfield Railroad Relocation Demonstration Project is on file in the Subcommittee on Transportation Appropriations Office, Room 2358, Rayburn House Office Building)

Office of the City Traffic Engineer

J. MICHAEL HOUSTON
MAYOR

RONALD L. HABEGGER
CITY TRAFFIC ENGINEER

311 Municipal Building
Springfield, Illinois 62701
(217) 789-2219

February 19, 1986

Mr. Milton Sees, Chairman
Capitol City RR Relocation Authority
Rm. 304, Municipal Building
Springfield, IL 62701

Dear Mr. Sees:

I will be unable to attend the February 27, 1986, Public Hearing being held on the proposed action of the Authority et.al., commonly known as the Southwest Springfield Usable Segment (Number 3). However, I have reviewed the Environmental Assessment for the project dated January 31, 1986, and wish to state, I as a City Traffic Engineer for the City of Springfield concur fully with the Alternate 2 recommendation and the report outlined assessment of its impacts to the environment.

The Community needs this usable segment project to provide for increased railroad and vehicular traffic safety plus to allow for the orderly continuing development of the area.

Very truly yours,

Ronald L. Habegger

Ronald L. Habegger
City Traffic Engineer

RLH/jb

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FEB 19 1986
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RELOCATION AUTHORITY

CITY OF SPRINGFIELD
DEPARTMENT OF PUBLIC HEALTH AND SAFETY
MUNICIPAL BUILDING
SPRINGFIELD, ILLINOIS 62701

PATRICK WARD
COMMISSIONER
217/789-2195

BARBARA RUTHERFORD
ADMINISTRATIVE ASSISTANT
217/789-2156

LOUISE B. JOHNSON
DIRECTOR OF
ADMINISTRATIVE SERVICES
217/789-2163

JAMES DIEKROEGER
DIRECTOR OF
PUBLIC HEALTH SERVICES
217/789-2182

TOM ARMSTEAD
FIRE CHIEF
217/789-8474

MARK R. RODMAN
DIRECTOR OF
BUILDING SERVICES
217/789-2171

March 10, 1986

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Mr. Milton Sees
Chairman
Capital City Railroad Relocation
  Authority
Municipal Building, Room 304
Springfield, Illinois 62701

Dear Mr. Sees:

As Public Health and Safety Commissioner for the City of Springfield, I would like to take this opportunity to add my comments to the record for the Southwest Usable Segment.

I support the Southwest Usable Segment as a project that will improve the public health, safety and welfare of the City of Springfield in two important ways.

First, this project will improve traffic movement through the area and will provide for improved response time for emergency vehicles.

Second, the project will eliminate three hazardous grade crossing and one substandard underpass in a developing area of our community.

It is for these reasons that I support the Southwest Usable Segment.

Sincerely yours,

Pat Ward

Patrick Ward
Commissioner

PW/sw

PEOPLE → PROGRAMS → PROGRESS

FRANK G. MADONIA, COMMISSIONER
MUNICIPAL BUILDING, SPRINGFIELD, ILLINOIS 62757
(217) 789-2060

CWLP: Small Enough To Care

March 10, 1986

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C[illegible]ROAD
RELOCATION AUTHORITY

Mr. Milton Sees
Chairman,
Capitol City Railroad Relocation Authority
Room 304, Municipal Building
Springfield, Illinois 62701

Dear Mr. Sees:

I am writing to express my strong support for the Southwest Useable Segment Project. This proposal has far-reaching benefits to the community, including the elimination of three dangerous grade crossings. The improved traffic safety that will result from completion of this project will benefit all segments of the Springfield community.

I believe this is a very cost-effective proposal that meets the goals and the mandate under which the Capitol City Railroad Relocation Authority was established. You can count on my continued support for this much needed project.

Sincerely,

Frank G. Madonia

Frank G. Madonia
Commissioner

FGM:gm

BUILD SANGAMON COUNTY
P.O. BOX [illegible]
SPRINGFIELD, IL [illegible]

March 6, 1986

Honorable Richard J. Durbin
Member of Congress
417 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Durbin:

I would like to take this opportunity to reiterate the support our organization, "BUILD SANGAMON COUNTY"has for the Springfield Railroad Relocation Project.

"BUILD SANGAMON COUNTY" has a membership made up of contractors, material suppliers, trade unions and engineers who are greatly interested in seeing Sangamon County and the City of Springfield gain a fairer share of government projects.

At the recent public hearing held in Springfield, Joe Moore representing "BUILD SANGAMON COUNTY" was present and made a positive statement for the continued support of the Springfield Railroad Relocation Project. We believe that the positive support of the majority certainly outweigh the negative attitude of a few.

We compliment you on your past enthusiasm and positive effort and hope that your continued hard work and support for this project will be fruitful.

If there is anything that "BUILD SANGAMON COUNTY" can do to help you in your support of this project our efforts and enthusiasm are at your disposal.

Sincerely,

BUILD SANGAMON COUNTY

Kenneth E. Newton

Kenneth E. Newton
Chairman

KEN/raf

Enclosure

The Greater Springfield Chamber of Commerce

March 28, 1986

Mr. Milt Sees
Illinois Concrete Pipe
Iles Park Place, Suite 313
Springfield, IL 62718

Subject: Southwest Springfield Railroad Relocation Project

Dear Mr. Sees:

Acting upon recommendations of our Transportation Committee, the Board of Directors of the Chamber has voted unanimously to endorse the proposed Capital City Railroad Relocation Authority's Southwest Springfield Usable Segment (Alternative 2).

The proposed project has the support of local government, the involved rail companies, and the vast majority of area residents. The project will substantially mitigate existing safety problems and physical development constraints.

We urge your continued support for this important project.

Guerry Suggs

Guerry Suggs
Chairman

GS/pmh
cc: Keith Haynes

3 SOUTH OLD STATE CAPITOL PLAZA • SPRINGFIELD, ILLINOIS 62701 • TELEPHONE 217/525-1173

GENERAL ASSEMBLY
STATE OF ILLINOIS
HOUSE OF REPRESENTATIVES

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MAR 10 1986
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March 10, 1986

Mr. Milton R. Sees
Chairman, Capitol City
  Railroad Relocation Authority
Room 304, Municipal Building
Springfield, IL 62701

Dear Mr. Sees:

I would like to take this opportunity to register my support for the proposed railroad relocation project being developed for southwest Springfield. Both the present railroad facilities and the location of the new trackage are within my legislative district, so I am quite familiar with the problems as they currently exist.

It is obvious that the elimination of railroad traffic through highly developed residential and commercial areas of the community will greatly enhance public safety, and create an opportunity for orderly growth in this portion of the city.

After listening to comments at the recent Public Hearing, and carefully evaluating the potential impact of the project, I am convinced that the community should continue to work toward the timely implementation of this much needed improvement. The advantages the area will realize in terms of improved access, safer travel conditions, economic stimulation and job generation are considerable, and far outweigh the short-term inconveniences that will be experienced during construction of the new facilities.

I will continue to work with the members of the Authority Board in whatever way will best advance the project. Please let me know how I can be of assistance.

Sincerely,

Karen Hasara
KAREN HASARA
State Representative

KH/sh

Office of the Mayor

J. MICHAEL HOUSTON
MAYOR

Municipal Building
Springfield, Illinois 62701
(217) 789-2200

February 26, 1986

Mr. Milton Sees
Chairman
Capitol City Railroad Relocation Authority
Room 304, Municipal Building
Springfield, IL 62701

Dear Mr. Sees:

Although I will be unable to attend the Public Hearing on February 27, 1986, on the Southwest Springfield Usable Segment, I would like to take this opportunity to add my comments to the record.

The propsed Southwest Usable Segment would offer many benefits to the City of Springfield including the elimination of three dangerous at-grade crossings, and one substandard overpass structure. The project will also enhance development opportunities in the area and provide for much needed jobs during the construction period.

As you know, I have actively supported the Southwest Usable Segment project since its inception many months ago. I have worked with Congressman Durbin and others to make the project a reality, and will continue to do so.

Sincerely,

J. Michael Houston

J. MICHAEL HOUSTON
MAYOR

JMH/cls

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FEB 28 1986
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RELOCATION AUTHORITY

FISCAL YEAR 1987 DEPARTMENT OF TRANSPORTATION APPROPRIATIONS HEARINGS

STATEMENT OF FREDERICK P. SALVUCCI, SECRETARY
EXECUTIVE OFFICE OF TRANSPORTATION AND CONSTRUCTION
COMMONWEALTH OF MASSACHUSETTS

AND

CHAIRMAN, ADVISORY BOARD
MASSACHUSETTS BAY TRANSPORTATION AUTHORITY

SUBMITTED: APRIL 24, 1986

The Commonwealth of Massachusetts
Executive Office of Transportation & Construction
Office of the Secretary
10 Park Plaza, Room 3510
Boston, MA 02116 3969
Telephone 973-7000

Michael S. Dukakis
Governor
Frederick P. Salvucci
Secretary
and
M.B.T.A. Chairman

THE PURPOSE OF THIS STATEMENT IS TO BRING TO THE ATTENTION OF THE HOUSE SUBCOMMITTEE ON TRANSPORTATION APPROPRIATIONS A MATTER OF SERIOUS CONCERN TO THE MASSACHUSETTS BAY TRANSPORTATION AUTHORITY (MBTA) AND THE COMMONWEALTH'S EXECUTIVE OFFICE OF TRANSPORTATION AND CONSTRUCTION.

THE MASSACHUSETTS BAY TRANSPORTATION AUTHORITY'S SOUTH STATION TRANSPORTATION CENTER IS A TWO PHASE EFFORT TO DEVELOP AN INTERMODAL TRANSPORTATION FACILITY IN THE MIDST OF DOWNTOWN BOSTON. WHEN COMPLETED THE CENTER WILL HOUSE THE TERMINAL FOR THE MBTA'S SOUTHSIDE COMMUTER RAILROAD, THE NORTHERN TERMINALS FOR AMTRAK'S NORTHEAST CORRIDOR, A CONSOLIDATED INTERCITY AND COMMUTER BUS TERMINAL, AN "AIRPORT - LINK," DIRECT CONNECTION TO THE MBTA'S RED LINE, SUPPORT PARKING, AND THE FOUNDATIONS FOR THE BOSTON REDEVELOPMENT AUTHORITY'S AIR RIGHTS DEVELOPMENT.

THE MBTA IS NOW CONSTRUCTING PHASE I IMPROVEMENTS, INCLUDING RAILROAD IMPROVEMENTS, REHABILITATION OF THE HISTORIC TERMINAL BUILDING, AND THE FOUNDATION FOR THE FULL AIR RIGHTS

PROGRAM. PRELIMINARY DESIGN IS ALSO BEGINNING FOR THE AIR RIGHTS BUS TERMINAL, PARKING AND "AIRPORT - LINK" FACILITIES. COMPLETION OF PHASE I IS SCHEDULED IN FISCAL YEAR 1987 AND COMMENCEMENT ON PHASE II WILL BEGIN IMMEDIATELY THEREAFTER.

THE MBTA IS SEEKING TO GAIN THE FEDERAL FUNDING ORIGINALLY DESIGNATED BY THE FEDERAL RAILROAD ADMINISTRATION (FRA) FOR PHASE II OF THE TRANSPORTATION CENTER PROJECT. THE FRA INDICATED IN 1981 THAT FEDERAL FUNDING WOULD BE PROVIDED FOR APPROXIMATELY $17 MILLION IN IMPROVEMENTS RELATED TO TRAIN VENTILATION, STRUCTURAL SUPPORT FOR AIR RIGHTS, AND THE DEVELOPMENT OF PARKING FACILITIES ANCILLARY TO THE INTERMODAL TRANSPORTATION CENTER. THE ORIGINAL ESTIMATED NEED OF $17 MILLION MUST NOW BE MODIFIED, HOWEVER, BECAUSE OF REFINEMENTS IN THE FEDERAL RAILROAD AMDINISTRATION RELATED ELEMENTS OF DESIGN AND TIME-RELATED COST OF CONSTRUCTION INCREASES. THE MODIFIED AMOUNT REQUESTED, AND THAT WITH WHICH WE SEEK YOUR ASSISTANCE IN GAINING, IS $25 MILLION DURING FISCAL YEAR 1987.

IT IS ALSO IMPORTANT TO MENTION THAT ADDITIONAL FUNDS WILL HAVE TO BE EXPENDED FOR THE COMPLETION OF PHASE I, OVER AND ABOVE THOSE ALREADY COMMITTED BY THE MBTA, THE URBAN MASS TRANSPORTATION ADMINISTRATION, AND THE FEDERAL RAILROAD ADMINISTRATION. THESE EXPENDITURES WILL BE REQUIRED BECAUSE OF DELAYS AND CHANGE ORDERS IN PURSUING THIS HIGHLY COMPLEX CONSTRUCTION EFFORT. THESE PROBLEMS AROSE FROM UNEXPECTED

FIELD CONDITIONS WITH SOIL CONTAMINATION, GRANITE FILL, AND TERMINAL BUILDING DETERIORATION. THE ADDITIONAL COST FOR COMPLETION OF PHASE I IS APPROXIMATELY $15 MILLION.

IT IS CRITICAL TO THE COMPLETION OF THIS IMPORTANT NORTHEAST CORRIDOR PROJECT THAT THE HOUSE SUBCOMMITTEE ON TRANSPORTATION APPROPRIATIONS SUPPORT OUR EFFORTS TO SECURE THOSE FUNDS NECESSARY TO THE COMPLETION OF BOTH PHASE I AND II OF THE SOUTH STATION TRANSPORTATION CENTER.

THOSE FUNDS, $15 MILLION FOR COMPLETION OF PHASE I, AND $25 MILLION RESTORED TO PHASE II ARE CERTAINLY A DIFFICULT BURDEN. HOWEVER THE TIMELY COMPLETION OF THE FULL PROJECT AND, THEREFORE, THE SAVINGS AND OPERATIONAL BENEFITS OF BEING ON SCHEDULE ARE PARAMOUNT TO ALL INTERESTED PARTIES.

I ASK, THEREFORE, FOR YOUR ASSISTANCE REGARDING THE FUNDING OF THE SOUTH STATION TRANSPORTATION CENTER DURING YOUR CONSIDERATION OF TRANSPORTATION APPROPRIATIONS FOR FISCAL YEAR 1987.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
181 ELLICOTT STREET • P.O. BOX 5008 • BUFFALO, N.Y. 14205 • AREA CODE 716, 855-7300

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May 5, 1986

The Honorable William Lehman, Chairman
House Subcommittee on Transportation Appropriations
2358 Rayburn House Office Building
Washington, D.C. 20515

RE: Appropriations Hearings for FY 1987
DOT-Urban Mass Transportation Administration

Dear Mr. Lehman:

The Niagara Frontier Transportation Authority (NFTA) respectfully requests permission to submit the attached written testimony for consideration under the subject hearings.

As illustrated in the attachment, funding under the Urban Mass Transportation Administration programs are of utmost importance to the economic vitality of Western New York.

The NFTA urges the continuation of these programs to permit continued realization of these benefits.

Sincerely,

RAYMOND F. GALLAGHER
Chairman

RFG/VJS/fa

NFTA-1

We at the Niagara Frontier Transportation Authority (NFTA) respectfully urge the continuation of Federal Mass Transit programs at a funding level comparable to the commitment in prior years. In this regard, we wish to advise the Transportation Subcommittee of our opposition to the Ground Transportation Block Grant Program proposed by the Administration due to the devastating effect its enactment would have on the Niagara Frontier Transportation Authority and the transit industry in general.

Under the new program proposed by the Administration, federal funding available to the NFTA's urbanized area would be reduced by almost 50% from approximately $9,760,000 available in federal fiscal year 1986 to approximately $5,032,000 in federal fiscal year 1987. Furthermore, under the new program our transit system will not be eligible to receive the previous amount of over $7,000,000 in operating assistance. The effect of this element of the new program would be devastating to the NFTA.

The NFTA has already reduced system mileage by approximately 400,000 miles and has increased the base fare level 33% from 60¢ to 80¢ in the past fiscal year. These modifications have been necessary even with the existing federal Operating Assistance Program. It is apparent that the elimination of the operating assistance element of the program would severely impact our transit operation.

Also available to the Niagara Frontier under the new program would be approximately $4.3 million under that highway/transit block grant element of the program. This situation would put funding of the transit operation in direct competition with local highway funding needs. In this regard, the highway portion of the regional Transportation Improvement Program is already over programmed vis-a-vis funding levels that could be expected. For the transit operation to have to compete with the highway interests for these block grant funds may further compromise the ability of the NFTA to get necessary funding for its operation.

At this time, we offer the following as the basis to continue the existing transit funding program:

The uniquely successful Federal-local partnership of support for mass transit funding has provided a positive economic impact to the Niagara Frontier that cannot be replaced. The $500 million Buffalo light rail rapid transit system has become an important stimulus to the rebirth of both the City of Buffalo and the Western New York region. This significant investment has served to stabilize the economic health of Buffalo's Main Street Corridor, which is the cultural and economic heart of our region.

Construction projects totalling $300 million have been initiated or completed since the start of construction of our rail project in April, 1979. The private sector accounts for nearly 80% of this investment. A truly exciting aspect of this development is that it includes commercial, industrial and residential projects that help make downtown Buffalo an increasingly rewarding place to work, seek recreation and to live. We believe that this level of investment is a first installment, with much more to come once the rail line is in operation. The proposed $65 million downtown baseball stadium, as an example, is to be one block from the Transit Mall. When completed, the combined impacts of the stadium and the light rail system on downtown Buffalo will be phenomenal. Public perception is that this degree of downtown development would not have occurred without the construction of the rail line. Development is also occuring adjacent to the rail stations outside the central business district under city guidelines that have been drawn to protect surrounding neighborhoods while realizing the best developments possible.

The centerpiece of the light rail system is the mall element of the rail line. The Buffalo Mainline Mile Transit Mall stretches 1.2 miles along what is truly the City's and the region's main street. The Mall, which is a fare free transit zone with six stations, links various center city functions together, from the Municipal Auditorium to the banking and commercial sections to the theater district. Our Authority, in concert with the City and County governments and the business community, is promoting the Mall corridor as the ideal site for new center city development. The Mall has sparked tremendous enthusiasm within the business community, which has agreed to politically and financially support a special assessment district to cover the maintenance and promotional expenses of the Mall. This special assessment district, which was created by the downtown property owners and enacted into law by the State Legislature in October, 1984, will generate $1,000,000 annually. This important revenue source emphasizes the sense of local commitment in our region, but also represents the private sector's support for mass transit as a policy tool in the development of downtown. The flagships of our major department store chains and financial institutions are finding downtown locations or are expanding and renovating existing facilities in anticipation of the revitalized role of downtown. Economically, over the next 20 years we forecast an increase of nearly $72 million in net retail sales and an increase of 2,500 employees in downtown Buffalo. The office-related impacts of the Transit Mall during the same period is estimated to include new construction of 2.8 million gross square feet, and employment gains of 14,500 workers. These new jobs will provide a significant impact to the economies of both downtown Buffalo and Western New York.

For the future, the NFTA has plans to extend the spine of the light rail system and to extend the Transit Mall to a new station in downtown Buffalo. These projects, if implemented, will also provide an economic boost to Western New York. Extensions to the light rail system could generate as many as 27,800 full time equivalent jobs and $1 billion in total spinoff benefits in our region. The extension of the Transit Mall to the historic Delaware, Lackawanna and Western trainshed (through the addition of the Naval Park Station for which we received "New Start" earmarking for design in fiscal year 1986) could mean an additional 700,000 square feet in retail and office space; 400 new residential units; 3,200 new downtown employees; $32 million in new retail sales; and the construction of a museum facility capable of attracting 100,000 visitors annually to its site. Thus, we do not view the rail line as a static resource, but one that can be modified to take advantage of unique opportunities to assist in the development of our region.

In addition to the rail system, the UMTA program has permitted the continued operation and modernization of the Metro Bus Transit System. Continued operations are made possible through Federal, State, and local contributions of operating assistance to our system. Modernization is made possible through Federal, State and local commitments to capital assistance.

Utilizing UMTA Capital Assistance, six regional bus systems were purchased by the NFTA in 1974 and the unified Metro System was created. The Metro system has enabled the 1500 square mile service area of the NFTA to be served by one transit system. Now, with the Buffalo Light Rail Rapid Transit System, integrated with the Metro Bus System, mobility via transit on the Niagara Frontier is further enhanced. During the past fiscal year, NFT Metro carried 38,300,000 passengers. We estimate that in the current fiscal year, Metro, including the new rail system, will carry 40,500,000 passengers. These passengers utilize transit to work and shop on the Niagara Frontier.

Many of these passengers are transit dependent. Thus, our system enables all to participate in the economy of Western New York. As such, transit has a significant positive impact in the Niagara Frontier. A recent example of this impact is related to the stimulus of retail activity of downtown Buffalo predicated by the operation of Light Rail service. During the 1984 holiday season, the first year of LRRT operation, downtown retailers realized a 20% gain in retail sales. This increased level of economic activity was sustained in 1985 and proves that transit can stimulate economic activity in Western New York.

Another important factor to consider is the economic impact to the Niagara Frontier of the Metro Operating budget. In the latest fiscal year, the operating budget of the Metro System exceeded $47 million. In the current fiscal year, the operating budget is estimated at $51 million. The operating budget is primarily for wages and supplies. As such, these monies are spent in the local economy and their economic impact is enormous. Continuation of the current partnership of Federal, State, and local funds toward the operation of the Metro System is important to the economic health of Western New York.

The UMTA Capital Assistance Program, in addition to the purchase of new buses, has enabled the construction of new bus garages in Buffalo and Niagara Falls, Mass Transit Elements of a Transportation Center in Buffalo, and an International Transportation Center in Niagara Falls. In addition to the employment related to construction, better maintenance facilities mean better service to the patrons of the system. Furthermore, the Transportation Centers stimulate intercity commerce and bring business to the area.

The Transportation Centers are also an example of the private/public partnership toward the provision of Transportation Service on the Niagara Frontier. The existing Metropolitan Transportation Center in Buffalo and the International Transportation Center in Niagara Falls, were funded utilizing Federal, State, and local resources.

In addition to being hubs for the intra-regional Metro Service, the terminals also serve as inter-urban terminals for private carriers. Space is rented from the Authority to the private carriers for this purpose. Thus, public funding has provided a facililty which is used by private enterprise in a situation where the need existed but investment factors precluded the investment by the private sector. As a result, the riding public receives needed service from the private sector and the overall utility of the public fund expenditure is maximized.

Further, under UMTA guidance issued concerning public/private provision of transit services, more opportunities for the involvement of private enterprise both in the provision of services and construction of new facilities are being sought. More efficient operations and expanded facilities are the objectives.

In the future, two new bus maintenance facilities are planned. Their construction will have a positive impact on the local construction industry. Their operation will have a positive impact on the level of service provided to the public and thereby contribute to the positive impact that the transit system has on the economy of Western New York. We believe that it is important for Congress to continue to recognize and support the importance of maintenance. Everything has a useful economic and operational life: ports and waterways need dredging; highways and runways need repaving; and buses, rail cars and maintenance facilities need to be repaired and periodically replaced. All modes of transportation are important to this country. In order to maintain efficient and reliable service it is important that adequate resources are available.

The NFTA and the public and private entities of Western New York view transit as more than a means of mobility. We have and will continue to use mass transit as a policy tool as intended by Congress. Our transit system has had a multi-faceted role in the everyday lifestyle as well as the long-range decision-making of Western New York. The wisdom of the programs of the Urban Mass Transportation Act and the uses of these programs in our region are evident: our system not only provides mobility, but also contributes to achieving other goals such as reducing energy consumption and air pollution, while improving mobility for the elderly and handicapped and stimulating our regional economy. As a special note to our contribution to the regional economy the UMTA programs have meant increased business opportunities and employment to minorities. Through the end of 1985 minority businesses have received approximately $65 million in contracts and purchase orders. The continuation of Federal transit programs will mean a continued expansion of existing minority businesses and the attainment of our other national and local goals.

FREIGHTLINER CORPORATION
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PETER E. RUPP
President and
Chief Executive Officer

March 25, 1986

The Honorable William Lehman
U.S. House of Representatives
Rayburn Office Building, Room 2347
Washington, D.C. 20515

Dear Congressman Lehman:

At the March 20th hearing of the House Appropriations Transportation Subcommittee, you asked NHTSA Administrator Diane Steed about testing of trucks equipped with anti-lock brakes. She informed you they were testing a Volvo.

We would like to clarify for the record that NHTSA has just completed testing a Mercedes-Benz truck, model L 1317, equipped with an anti-lock braking system (ABS) manufactured by WABCO. That vehicle is part of a group of five ABS - equipped Mercedes-Benz trucks and eight Freightliner tractors undergoing fleet testing by Leaseway Transportation Company and Manfredi Motor Transit Company, both located in Ohio.

We were also informed that NHTSA research and development testing obtained "outstanding" performance results with the Mercedes-Benz/Leaseway test vehicle with short, stable stops under all test conditions including extremes of ice covered roads.

I would like to request that this letter be made part of the permanent record of the hearings.

With kind regards.
Sincerely,

Peter E. Rupp

PER/sjb

cc: The Honorable Tim Wirth
Chairman, House Subcommittee on Telecommunications-Consumer Protection-Finance
The Honorable Bob Packwood
Chairman, Senate Subcommittee on Surface Transportation

DR. NOEL C. BUFE

Testimony Before the

SUBCOMMITTEE ON TRANSPORTATION AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

April 23, 1986

I am Noel C. Bufe, Director of The Traffic Institute of Northwestern University, Evanston, Illinois.

The Traffic Institute renders direct administrative, technical, and training assistance to governmental departments and carries on relevant research, public information, and public programs. The Institute is staffed with a multi-disciplinary team who combine extensive experience in the areas of law enforcement; legal aspects of traffic operations, laws, and enforcement; traffic and transportation engineering; traffic safety; police and motor vehicle administration, with strong professional training and research credentials.

As such, the Institute specializes in the delivery of programs designed for the training needs of state and local officials having responsibilities for a wide range of highway safety activities.

We are one of the primary trainers of police traffic specialists and administrators and other professionals in the field of traffic and highway engineering, traffic safety, and motor vehicle administration. We train more than 6,000 students per year in a wide range of traffic and highway safety programs, through courses ranging in length from two and a half days to nine months (commonly referred to as our "Long Course").

It is our position that during its twenty years, the federal highway safety program has been a success; the program should be continued. It has contributed in many ways to making our roadways safer and reducing human and economic losses resulting from traffic crashes.

There is, of course, much yet to be done. Presently, we are only stemming the rising tide. We need continued federal assistance if the growing traffic loss problem is to be met effectively. We therefore encourage the continuation of the level of funding for the highway safety programs and as the agency extends its emphasis from occupant restraints and alcohol countermeasures to focus attention on other areas of concern, we advise the increase in budget allocations.

I have termed the federal effort a success. Let us briefly examine some of the ways it has stimulated system improvements that reduce the hazards of use of our leading form of transportation--the automobile.

1. Because of the federal effort, states have been stimulated to spend more money on highway safety. Initially, this was reflected in the matching funds that states provided for federal grants. Incidentally, many of these projects, initially funded by the federal government are now fully-funded with state and local dollars.

2. Greater standardization has taken place of highway engineering, construction, design, and traffic control with a sharp focus on safety.

3. Motor vehicle manufacturers give greater attention to the safety design of their product.

4. Employment of competent personnel in the highway safety field has been stimulated.

5. Fatalities have been reduced and fuel saved as a result of the enactment and enforcement of the 55-MPH speed limit.

6. Because of federal encouragement, 50 states and the District of Columbia have passed child restraint laws, and 24 states including D.C. have passed safety belt laws. These laws are proving to be effective means of preventing death and serious injury on the highway. Occupant restraint programs, funded by the federal government have been important tools in ensuring public awareness and acceptance of these important countermeasures.

7. The adoption by 40 states of a minimum drinking age of 21, also encouraged by NHSTA, will do much to stem the large numbers of teenage highway deaths and injuries.

8. Adoption of uniform vehicle codes have been stimulated, traffic laws have become less diverse and confusing. During the past 16 years, over half the substantial diferences between state traffic laws and the uniform vehicle code have been eliminated.

9. Funds for needed manpower development, and equipment purchases for implementing highway safety programs, i.e., breathalizers, communication systems, patrol vehicles, radar, have been provided to law enforcement agencies.

10. State and local jurisdictions have increasingly recognized that their personnel must have higher levels of competence and skills in the management, supervision, and operation of the highway transportation system and in the implementation of effective countermeasures to optimize public safety.

11. Law enforcement surveillance of our highways by Sheriff Departments and County Police Departments has been increased by allocation of 402 funds.

12. 403 funds have made possible the study, analysis, and correction of specific traffic problems; state, county, or municipal funds were and are insufficient for such research.

13. The efficient and safe movement of people, vehicles, and goods has been facilitated, improving our quality of life.

In declaring the Federal effort a success, I speak as Director of The Traffic Institute of Northwestern University, an organization which has been a part of that success.

The Traffic Institute provides specialized technical and professional training focused on the highway safety problem. (Appendix 1)

The students attending Institute courses are mainly state and local police officers--at both the managerial and operational levels. We also offer training to highway and traffic engineers of state and local government agencies. In the past 36 years, we have enrolled 9,000 engineers in traffic engineering and transportation programs. We have provided traffic safety training for military officers and state motor vehicle administration personnel for more than three decades and have participated actively in the training of traffic court judges and prosecuters, in cooperation with the American Bar Association (ABA) since 1947.

Overall, we have, since 1936 (the year of the Institute's founding), conducted over 2,400 courses for more than 100,000 students:

--Sixty-eight percent of these courses were focused on highway safety.

--Thirty-one percent of the total courses were managerial/supervi-

AVAILABLE

sory in nature, which impacts on all phases of public safety--including traffic safety.

Fifty-six percent of the above-referenced total courses (involving fifty-six percent of the students) were conducted off campus.

Although these figures indicate the breadth of our training programs for the 50-year period since we were founded, the figures for the past 16 years are a striking testimonial of the importance of the federal support to which we address ourselves today. This period coincides with the period of the availability of federal funds in support of the training of responsible officials charged with some duty or duties in the field of highway safety.

Since 1970, we have conducted more than twice as many courses and trained more than twice as many people in these 16 years as we did in the first 35 years of our existence. This resulted primarily through support emanating from the federal highway safety programs. Of the total 75,000 students trained during this 16-year period, 62 percent, or more than 46,000 of these students were trained off campus. This indicates our capacity to respond to the regional and local training demands, while keeping training costs for participating agencies to a minimum. Prior to 1970, only 45 percent of our students were taught off campus.

Many of our 2,400+ Long Course graduates have made exemplary progress, as evidenced by their promotion to leadership positions.

This resulting capacity of our Long Course graduates was shown, in part, in some of the programs cited in "An Assessment of State and Community Highways Safety Programs FY 1975-FY 1979," U.S. Department of Transportation, National Highway Traffic Safety Administration, January 1980, DOT-HS-085-228. For example:

a. New York State Police have implemented a "Controlled Access Highway Task Force" aimed at enforcing the 55-MPH speed law. Over the years, 34 members of the New York State Police have graduated from the Institute, and the Director of the New York State Police Training Academy is a graduate.

b. Maryland State Police also have a selective enforcement program aimed at enforcement of 55 MPH. Over the years, we have had 29 graduates of the Institute's Long Course who were members of the Maryland State Police.

c. The city of Greensboro, North Carolina, has a project dedicated to the allocation of police resources aimed at accident reduction. This city has 14 graduates, including the chief of police and most of his top administrative staff.

In my opening remarks, I indicated there is still much to be done. As the late Dr. William Haddon, Director of the Insurance Institute for Highway Safety often said, "In highway safety, there are no silver bullets." Even a cursory look at the future supports this view. Our best estimates indicate that individual transportation--the motor car--will be with us all in the foreseeable future. Size and horsepower will be decreased, and alternative fuels to supplement, but not replace, gasoline are likely.

There will be some changes in urban and suburban structure that may increase use of public transit, but in sum, we do not see that this will significantly reduce our dependence on, and utilization of, the automobile.

In spite of efforts made to date, all of the factors that contribute to problems of traffic safety will continue to be felt: high-risk driving; speeding; driving under the influence of alcohol or drugs; less than 100 percent use of occupant restraints; congestion; vehicle and pedestrian mix; gross variations in enforcement and adjudication; disparities in laws, including driver licensing between states; mechanical defects; electronic means of frustrating enforcement; and declining funds for highway construction maintenance. These factors have plagued us perenially, and we see little hope of their being held in check in the foreseeable future without a rigorous commitment to do, and development of, effective traffic accident countermeasures.

Training for police in highway safety techniques is still inadequate. Less than 15 percent of recruit training time is devoted to traffic safety, while a minimum of 50 percent of all patrol time is demanded by traffic accidents, traffic supervision, enforcement, or other related traffic activities.

Police are the most utilized and ubiquitous factor in the effort to make our roads and streets safe. Yet, police officers, in the main, are considered by the public to be crime fighters. As a consequence, police needs for manpower and equipment are justified at budget time by holding up the specter of crime and violence.

It seems obvious to me that with inadequate traffic training, and a public police posture that emphasizes crime deterrence and prevention, along with tight budgets, that the temptation to further reduce traffic services could be irresistible (producing devastating results on our streets and highways). The consequent inadequacy of selective enforcement and general traffic supervision, the abandonment of accident investigation and the reduced use of electronic surveillance for speed control would, in combination, result in a devastating increase in traffic crash losses of every category. Further, the state-of-the-art of the Emergency Medical Services (EMS) has deteriorated because of the lack of programmatic support and adequate funding.

It is well recognized that the policy of the federal government is usually a bellwether. If there should be a reduction in emphasis on traffic safety, and past commitment to useful programs is withdrawn, state and local governments will find this a place to cut in a time of tight money with the convenient rationale of cut-off of federal support.

I conclude this testimony with the following recommendations, which bespeak the importance of continuing the federal highway safety program:

1. We encourage support of the proposed budget amount and consideration of increasing the amounts for parts of programs not being adequately addressed: drivers licensing, judicial training, Emergency Medical Services (EMS), police traffic services, safety education, road improvements.

2. Highway safety manpower development programs should be continued with renewed vigor. This concern is clearly recognized by Congressional dictates in Sections 402 and 403, which call for the development and implementation of manpower training programs. This is the best investment the federal government can make in ensuring the competence of highway safety personnel.

3. Maintain the vitality of the 55-MPH program. This is an effective means of energy conservation and fatal crash reduction. However, it must be refocused since it presently diverts resources from rural and country roads where the crash problem is most severe.

   Speed limits are typically determined by the 85th percentile of measured speeds. Because of the federally-mandated 55-MPH limit, considerably more than 15 percent of drivers on controlled access roads (currently about 69 percent) are exceeding the limit, exacerbating an already difficult enforcement problem. The funding of this program, as currently structured, provides incentive to enforce the 55-MPH speed limit on controlled access roads at the expense of safety on state and local road systems, which experience a higher basic safety risk. This program deserves continued federal support as one of the few traffic crash countermeasures that produces a relatively predictable result, in terms of energy conservation and traffic safety.

   Further, we should be reminded that the projected federal funding levels represent only a fraction of what is being spent on 55-MPH enforcement programs by state and local police agencies. The federal contribution is an important incentive to keep this partnership arrangement functioning. We should also be mindful of the rather tenuous fashion in which many states have enacted 55-MPH legislation in support of the federal mandate. If the federal government pulls out its support, I believe the states will use this action as a rationale to abort their existing state 55-MPH laws and revert to their former practice of allowing higher maximum speeds.

4. Provide continuing attention to developing uniformity in laws, codes, and ordinances.

5. Maintain the present level of state and local officials expertise which is significantly higher than it was 10 years ago. Regression to former levels could involve enormous human and economic costs.

6. Strengthen state management systems to provide review and advisory functions for the states' total safety effort. Existing control systems typically provide close managerial coverage of the highway safety program that is federally funded. State and local coordination is not integrated fully into this process in most states. Congressional concern about this matter is appropriate, and states should be dealing more completely with this important facet of the program. The National Highway Traffic Safety Administration (NHSTA) should take an aggressive role in implementing Congressional intent in this regard.

7. Provide leadership and direction for intensive research. Of basic importance is research on driver behavior. Not enough is known about what causes abnormal driver behavior. We don't know much about the psychological profile of the safe driver or the unsafe driver. We are not sure about the combination of skills that must be mastered to ensure safe driving.

   A clearer understanding of human factors is necessary to better design, operate, control, and supervise the movement of vehicles and people on the highway system, to more adequately compensate for human limitations and errors.

Of particular importance is research into the effects of alcohol and drugs on driver behavior. There are a number of initiatives in this area going forward at the present, and continued support is needed if we are to proceed knowledgeably in future programs.

These recommendations reflect high priority needs, directly affecting public welfare. Only heart disease, cancer, and stroke kill more people than the motor vehicle. In the age group 1 through 44 (our most valuable human resource for the future), motor vehicle accidents are the leading cause of death. We can no more afford to reduce our efforts in highway safety than we can afford to make drastic cuts in medical research program support.

The problem is complex and demanding. The number of responsible official and private agencies and their dispersion throughout the several levels of government and society is a complicating factor. It is imperative that the federal government firmly maintain its position of concern, commitment, and leadership. To do otherwise will deprive the total program of irreplaceable support and, probably, take down with it much of the current support from state, county, and city governments which are facing awesome problems of economic stringency. I pray that you will provide exemplary leadership in this matter of such real and immediate importance to millions of Americans and their families.

Thank you.

Appendix: 1. Brochure of course offerings. (On file in Room 2358 Rayburn House Office Building--Subcommittee on Transportation and Related Agencies Appropriations)

American Red Cross

National Headquarters
Washington, DC 20006

Richard F. Schubert
President

April 21, 1986

Dear Mr. Chairman:

I am taking this opportunity to express the views of the American Red Cross on the National Highway Traffic Safety Administration's (NHTSA) proposed programs for FY87 now before your committee for consideration.

First, I would like to address our involvement in the area of transportation. As a health and safety services organization, accident prevention and injury control are priority concerns of the American Red Cross. For the past four years, we have been working collaboratively with NHTSA and other organizations to expand our efforts in motor vehicle related trauma prevention. Specifically, through our community education programs and services, we have been promoting the importance and benefits of safety belts, child safety seats, and safe driving measures to the general public. To this date, we have approximately 750 chapters actively involved in such efforts. In the past year, 102 Red Cross chapters received grants from NHTSA to initiate or expand their programs. These programs have given Red Cross the opportunity to have a direct impact on one of the nation's most formidable safety problems.

In addition, Red Cross historically has been a leader in the provision of emergency preparedness training through First Aid and CPR. We have trained and certified millions of people in these life saving skills to enable them to properly respond to accident victims. We are also actively involved in drunk driving prevention programs. Over 100 chapters are currently conducting a variety of activities that promote responsible hosting, drinking, and driving attitudes and measures. In a recent survey of our chapters, an overwhelming precent expressed interest in becoming involved in this prevention strategy in the near future.

In view of our involvment with traffic safety, I would like to make the following comments. Automobiles at the turn of the century were a novelty. Today, automobile crashes are the fourth leading cause of death in the United States. More than half of all the fatalities and crippling injuries could be prevented if the occupants had been properly restrained. Yet today's data shows that only 22 percent of the public buckle up. Alcohol misuse is responsible for more than half of all motor vehicle fatalites and thousands of disabling injuries. These too could be prevented with the implementation of effective countermeasure programs. Moreover, thousands of lives could be spared if speed limits were strictly enforced, and if proper and timely emergency medical services were immediately available to accident vitims. Evidence shows that comprehensive approaches to traffic safety have a considerable impact on improving driver habits and reducing the tolls of death and injury in this country.

The American Red Cross believes that there is a need for long-range commitment to reduce motor vehicle related trauma. The proposed budget for NHTSA's traffic safety programs, specifically, the Occupant Protection, Alcohol Countermeasures and Support, and Improvement of State Program Management Capability programs, is one that will support and expand movement toward diminishing the senseless human and financial losses resulting from motor vehicle crashes. It is only through the concerted approach of education and training, information dissemination, legislation and regulation, as proposed by NHTSA's programs, that we can expect to ameliorate the problem of motor vehicle trauma in the future.

We are beginning to see positive results through private sector and grass root initiatives, enhanced legislation, and increased belt usage but this is only a beginning. The continuation and expansion of NHTSA's efforts, together with all other groups concerned with traffic safety, will lead us to our desired goals. The NHTSA proposed program strategies represent a viable approach to accomplish these goals. It is in the interest of the public health, safety, and well being that the American Red Cross supports NHTSA's program and budget request.

Sincerely,

Richard F. Schubert

Richard F. Schubert

Honorable William Lehman
Chairman, Subcommittee on Transportation
House Committee on Appropriations
House of Representatives
Washington, D.C. 20515

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